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October 11, 1947

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Busy Month

To The Editor:

It has been a busy month for the high officials both abroad and at home. In order to get more aid from the U.S., they have to consider and reconsider China's policy toward America, to follow the latter's attitude or to use blackmail when necessary. Sun Fo's speech on China's possibility of turning to Russia was a remarkable event this month. Domestically, there is the Fourth Plenary Session of the Kuomintang CEC, the merging of KMT and the Youth Corps, the reshuffle of the top personnel of the Central Kuomintang Headquarters and preparation for the general elections, etc.

In order to prolong the Civil War, compulsory conscription is enforced, the nation wide austerity movement is ordered and greatly advocated. Some of the chief items of thrift are the banning of commercial dancing and permanent closure of any newspaper which has been suspended. There are also many other orders or decrees such as safeguarding the personal freedom of the people; the pedicab men wearing a numbered vest; dogs having owners should be so marked; and beggars should be cleaned out of the city, etc. With such hot weather as that of Shanghai and Nanking, I would say it is too much work for our honorable officials to do and, meantime, too much for the Chinese *lao pai hsing* to accept.

With the above mentioned orders, thousands are losing their jobs and worrying about their livelihood (especially most of the dancing girls); hundreds of tragedies and inhuman things, such as suicides and able bodied men being sold to fill out the conscription list and so on, have occurred; hundreds (it is said) under the charge of being communists have been arrested, in other words, have disappeared; even the homeless dogs have to escape from being slain.

What are the Chinese people's servants so busy about, one would like to ask? Would the autumn wind be kind enough to cool their heads a little?

S. T.

Shanghai,
September 29, 1947.

Only 70 Percent

To The Editor:

As you know, English in China has been at a premium for quite some years. But, still very few Chinese students, who have spent years studying it, can handle it lucidly. Many a university graduate can't express himself in simple English words. The same is true of other foreign languages. I really wonder if it is not a waste of time to require every student to study at least one foreign language. He may not be inclined to learn any language, not even his own. The study of a foreign language, in my opinion, should be made optional. Those who are linguistically inclined should, of course, be provided with every opportunity to master one or two foreign languages so that they may be able to translate with accuracy articles written by foreigners. A good translator can usually express in his translation over 90 percent of what the author said. But the average Chinese college graduate can

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understand no more than 70 percent of your editorials, I feel sure.

The Chinese government even now, still clings to *wen yen*, which is dry as dust and unable to express modern ideas. The other day, I chanced to read a government notification pasted outside the SMG building. The language was so difficult to understand that I believe few readers could get the idea of it. The whole masterpiece was without punctuation, which increased the difficulty of understanding. Why Nanking does not try to popularize *pai hua*, the living language, nobody knows.

M. H. T.

Shanghai,
October 7, 1947.

Stimulating

To The Editor:

Congratulations on reprinting Philip Jaffe's article: "America: The Uneasy Victor," which began in your issue of September 27, 1947.

May I suggest that you set this up as a reprint and advertise it in your paper for sale to discussion groups, college classes, etc. If possible, it should be translated for the same purpose.

I found this article very stimulating and refreshing and hope that articles of similar quality and importance will also appear in your paper.

AN AMERICAN.

Shanghai,
October 5, 1947.

U.S. Zaibatsu

To The Editor:

The UN General Assembly is in session. It is the second anniversary of this organization, which was a prominent idea of the late U.S. President Roosevelt. Unfortunately before the paramount ideal organization of the world was formed into a reality, death carried him away from this earth. As a result, not only his successful New Deal in his own nation was spoiled by his stupid and traitorous successors and those ambitious American Zaibatsu, but also the mankind saving system of the world. Conditions changed overnight. The Truman Doctrine, the Marshall Plan and the Pan-American Conference in Rio de Janeiro point out that the power and bloc politics of the 20th century of which the U.S. is the chief operator have reached their highest peak. The U.S. abandons the newly born UN and forgets the dreadful Nazism and Fascism—for which the world has sacrificed about 30,000,000 men and women, old and young, The U.S. alone donated trillions worth of property and about 300,000 youths. It excuses despotic Spain in Europe, cooperates with Fascist Argentina in South America and reconstructs the Japanese octopus in Asia. These American plan makers have learned nothing from the last two destructive wars, these rude Americans! I wonder why the poor US citizens should submit so obediently and blindly to their war brokers and spokesmen for the 60 families?

Someone has said that the UN General Assembly this year is the last test of the cooperation of the big powers, whether they can live together peacefully in the world. Now the first week of the session has passed, the people of the world can see very clearly how broad has been the gap between the East and the West. Many people have started to feel disappointed about the world peace. Tragedy is in sight.

However, we young Chinese who are accustomed to agony and fighting, are not so disappointed as those mentioned above. Mr. Henry A. Wallace has enlightened us by his "The 20th century

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is the peoples' century." We trust implicitly in the force of the common people. We believe that if the people have the free will to choose, not controlled by the ambitious fellows, the holy proverb advocated by the former US Vice President might be completed, as now in some parts of China. The UN is the only reliable first step to melting all the countries into one world. It should never be defeated or destroyed by those ambitious and warlike countries or fellows. The Chinese Delegation should support the speech delivered the other day by Mr. Trygve Lie, the secretariat of UN in which Mr. Lie advocated the one world idea advocated by both our Father, the late Dr. Sun Yetsen, and the late US President, Mr. Franklin D. Roosevelt.

Here I would request you one thing, dear editor! Only the US State Secretary General Marshall's speech is published of the other delegates' statements delivered at the UN such as Mr. Andrei Vishinsky's, we can merely find fragments in our newspapers. The omission, if not for the shortage of newsprint today, might be caused by prejudice. Would you be kind enough to indicate or favor me with the whole text of the speeches delivered in UN by Mr. Andrei Vishinsky, the head of the Soviet delegation, Hector McNeil, delegate of the United Kingdom and Trygve Lie, the secretariat of the United Nations?

EVER HIGH YANG.

Hangchow, Chekiang,
September 26, 1947.

Spokesmen Abroad

To The Editor:

Sure it is a well versed parable given by a certain Chinese philosopher and writer now living in the "Gold Dollar Empire" to the effect that real performance is necessary for the Americans, who ought to be responsible for killing the Chinese Communist Tiger they have raised out of a cub if they want to help China. It must have caused satisfaction to many an American anti-Communist diehard who heard a world famous Chinese literary and philosophical authority (?) saying what is right in his own mind or opinion. At the same time, our government must be very proud to have had such a voluntary spokesman abroad talking about the logic and necessity of its carrying on an anti-Communist crusade (no, a bandit-suppression campaign).

But, personally, I am rather certain that Chinese "scholars" back from the States or living there are mostly Americanized in mind though not in nationality, being dazzled, intoxicated and captivated by the "health" and wealth of the No. I Big Power, nodding to everything Americans have, do and say. They have completely forgotten or sadly ignored the terrible poverty, popular illness, both social and bodily, awful ignorance and nation wide illiteracy of their fellow countrymen at home. They don't know any better than the least informed foreign correspondents or observers on China affairs.

For one, I don't think the said philosophers parable is quite acceptable. He has wronged the Americans, who, as they don't seem to understand the "Philosophy of Do Nothing" by Laotze and Chuangtze (as the philosopher does), have already given too much aid and support to the disqualified but seemingly confident hunter—the reactionary Kuomintang — in the latter's hunt of the "tiger," only with the result that, thanks to the various hardships and dangers that have taught the animal bitter and sweet lessons as to how to survive, strive and develop, the Communists have turned out to be more reasonable and less fierce and harmful than they were imagined or described to be, whereas the hunter himself has become no less fat and ferocious than a real tiger and, failing to kill his object of pursuit, has instead fallen upon the nearby villagers—the innocent, law-abiding people at large—as his prey, doing them every sort of insult, harm and ravage that could be expected of the tiger on the pretext that the people have given shelter to the horrid animal (Heaven knows!). And now this tiger hunter is so strong and bloodthirsty that even Generals Marshall and Wedemeyer (those competent and tactful soldiers) have failed to bring it back to its senses.

Plainly speaking, it would be much more sensible and logical to say that the "Communist tiger" has grown big only on the corruption, incompetency, imbecility and dictatorship of the Kuomintang. For had the KMT leaders been faithful and decent followers of our late Dr. Sun Yetsen (whose own son, Dr. Sun Fo, is not excepted), strictly sticking to his dying will, his far sighted policies and his well founded doctrines, especially the Principle of the People's Livelihood, there would have been no such thing as Communists in China now, and hence no need of any "counter policy" against the Communist land reforms.

The most tragic of all is that by means of much "valuable" and "grateful" assistance in the anti-Communist campaign even during the progress of the anti-Japanese war, the United States has been aiding the KMT tiger hunter in exploiting and devouring the people who are supposed to be masters of the nation, while not a single hair of the strong willed but poorly skinned Communist tiger has been actually touched. It is the United States that has deprived us of our freedoms from want and from fear because it has been trying its best to help the KMT prolong its despotic or "fascistic" rule and strengthen its war breeding ambition (at least that of Civil War), to the

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utter disgust and deadly hatred of every conscientious Chinese citizen. What the United States has given us people are colonial status, political dependency, economic paralysis, social unrest and everything else short of peaceful democracy THROUGH THE HANDS of the KMT.

Last of all, let me remind our American minded humorous philosopher and writer that China is both changed and changing, no longer is it the Old China he departed from 10 years ago. In the present struggle for freedom, democracy and peace there is no difference between the right and left, but the difference between the revolutionary and the counter-revolutionary, and the difference between the progressive and the reactionary. If there is left us no choice between good and evil, between justice and injustice, and between independence and slavery, there is still the choice between life and death. As long as a ray of hope and life is before us, we can never remain or stagger in the middle way, for the middle way is but a "fork" for us on our journey. We can never reach our destination by turning right or left (there is no way out on either side), but by marching boldly forward and to the fore. Remember, philosopher, that China is not made up only of KMT and CP, it is built up by the Chinese people, the vast majority of whom are neither KMT nor CP members. You can't understand how the world goes on without catching the significance of the happenings at home, can you? You can't make the world go round with only the Americans who are but a part of it no matter how great they are and how much you appreciate them. As sure as eggs are eggs, the Communists will never win the people's hearts if they don't do what the people are interested in and benefit by. They would inevitably fall into the same error and failure as that of the Kuomintang if they resort to force and power only. In order to avoid turning Communist under the present circumstances, China must make the KMT reactionaries retreat and retire once and for all, simply for the sake of national welfare and rejuvenation. If not, the Communists will take more and more advantage of the situation. Or, before that comes, the people—not the Communists, however,—might pull the KMT down just as easily as they raised it to power 30 years ago when it was winning the people's favor. Things have come to this, we must not indulge any more in our illusions for the betterment or repentence of the KMT. For everyone except the blind can see for himself how it has put its words into actions. Even the blind can hear it, though. As to the people, any government other than the KMT-monopolized or Communist-controlled will be welcome as long as it strives for the national independence, liberty, unity and democracy of China.

LAO PAI HSING.

Shanghai,
October 4, 1947.

IMPORTANT NOTICE

THE *China Weekly Review* will not publish anonymous letters in these columns. Every letter intended for publication must bear the writer's NAME and ADDRESS, for the information of the editors. In cases of group petitions, statements or announcements, the letter must be signed by a responsible official or delegate, likewise for the information of the *Review*. If it is specifically pointed out that the author wishes to have his letter published under an assumed name, or his initials, this will be complied with, and his identity will not be divulged. However, as said above, in all instances the *Review* must be aware of the identity of the writer if he expects to see his communication appearing in these columns.—*EDITOR.*

Taiwan Power

To The Editor:

I take this opportunity to let you know that Miss Cheng's statement, to which you referred in an editorial headed "Undeveloped Resources" in the August 23 issue of the *Review*, relating to Taiwan's electrical capacity as 180,000 kwh., and understood to be lower than that of Hainan's (240,000), is not correct.

On information, I can state that Taiwan can generate 340,000 kwh., although because of war ravages and lack of upkeep equipment, at present the capacity is understandably lower. Nevertheless, I persist that Taiwan's electricity capacity is decidely higher than Hainan's.

K. Y. CHANG,
Public Health Administration.

Taipeh, Formosa,
September 15, 1947.

Of Scanty Income---VI

To The Editor:

I am very grateful to you and "A Friend of China" through whom I was able to enjoy your esteemed *Review* free of charge for three months. Now the three months have passed; I am sorry that owing to my shortage of money, I am not able to resume my subscription.

I am a sophomore of the National Chekiang University. My father, an old learned scholar, now a teacher in a senior middle school, very poorly paid, has to support the whole family. Dur-

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The moral man conforms himself to his life circumstances. . . In a high position he does not domineer over his subordinates. In a subordinate position he does not court the favors of his superiors. He puts in order his own personal conduct and seeks nothing from others; hence he has no complaint to make. He complains not against God, nor does he rail against men.

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ing the summer vacation, I found some work and supported myself for about two months. But now as the school is opened, I have to go back to school.

The *Review* is one of my old friends which I started to read when I was in the senior middle school. I feel very sorry that I can't afford it, but I shall meet it in the library and hope to be able to resume my subscription in the future.

W. D.

Hangchow,
September 23, 1947.

Abbreviations

To The Editor:

I am a middle school student as well as an earnest reader of your *Review*. I like it very much and am so well convinced of your righteous words, that I have to write you to express my gratitude. However, as a middle school student, I am always puzzled by the abbreviations used in your paper; I am sure there are many Chinese who don't understand them. Now I would like to give you my humble suggestion, whether you accept it or not, that is, to have a small space in the paper to give the words which are abbreviated each time. I have encountered several abbreviations such as 'SCAP" and APA," which I failed to make out. Would you please tell me their meaning?

Y. G. LIAO.

Chengtu, Szechuen,
September 26, 1947.

(*EDITOR'S NOTE: The initials SCAP stand for Supreme Commander Allied Powers; the initials APA represent Alien Property Administration.*)

Poem From Sian

To The Editor:

China has been in a state of chaos for a long period. For a long time, your *Review* has been a fair and straightforward weekly favoured by many Chinese as well as foreigners. This is the first time I have written to you; if you don't mind, I would like to present you with a poem on the present Chinese situation.

How bitter are the hearts of the people,
Widespread is the Civil War.
The Communists have crossed the Yellow River,
From the Southern Shansi border.
Communications are severed here and there,
Fighting is everywhere.
Prices of commodities are soaring sky-high,
People's livelihood is as hard as it could be.
However, day in and day out,
No sign of the end of the suicidal war.

J. L. LIN.

Sian, Shensi,
September 18, 1947.

Contrast

To The Editor:

The attitude and energy of the people of Chinghai is a refreshing contrast to the rest of Kuomintang China. There is much interesting material up here which the outside world knows little about. Chinghai is an incredible mixture of the Middle Ages and mid-20th century. Sining is the cleanest city I have visited in China. There is compulsory education for children, and this city of under 70,000 population actually has 23,000 school children at present. And every child has been inoculated against small pox and typhoid. Reforestation, an irrigation project nearly completed to reclaim a large tract of land which is to be used for soldiers who come back from the war crippled and for the families of those who do not return—these are

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some of the progressive things which are being done now.

A new highway has just been completed from Sining to the Hsinkiang border. It is 1,070 kilometers in length and probably rivals the Stillwell Road in difficulty of construction. A group of officers leaves tomorrow to traverse its entire length. The road has been divided into five sections and the first section starts here. The medical officers assigned to the second and third sections are just back and spent hours telling of some of their experiences. The road passes through stretches of wilderness so barren that there is no animal life and goes to such altitudes that a party barely escaped freezing to death in a snowstorm in July. The cold is already so intense that work has to be stopped. They speak of the road as completed, but I imagine in reality a track has been broken through the wilderness. It was done at the request of the Central Government,, I am told, and must be for political and military purposes only because most of its length traverses uninhabited territory.

Perhaps the Chinese papers are carrying the story but no foreign correspondent has been here, they say.

R. I.

Sining, Chinghai,
September 14, 1947.

Faraway Sikang

To The Editor:

I received the notice that my subscription to the *Review* has expired with the last issue. Owing to a shortage of money for the time being, I will send you my renewal at the end of this month. Meantime, would you be kind enough to deliver me the *Review* in advance?

I would like to tell you that several weeks ago, the communications between Yaan and Kangting were out off because of floods caused by two months' raining, from the beginning of July to the end of August. Shaping Bridge near Tienchun was also washed away by the violent torrents. Travelers from Szechuen to Sikang had to go on foot or go around by the route via Yinching which, even now, is not at peace. For one week, no mails and goods were sent in; as a result, prices of rice and commodities rose and the rich hoarded the rice. The civil servants of middle class and the poor could only afford to buy potatoes and millet flour. As Sikang is a place unknown to many people, the harm done here is not known either. Sometimes, one even finds out the facts, but dares not to disclose them. In Kangting, the only mosquito paper is a Government organ.

Several weeks ago, General Chu Shaoliang, Director of the Generalissimo's Headquarters in Chungking, accompanied by Governor Liu Wen-hui, came to inspect Yaan, the gateway from Szechuan to Sikang. He received a warm welcome from General Liu. After his inspection, he wrote to the latter, expressing his admiration of the reconstruction of Sikang. But heaven alone knows whether Sikang is undergoing any development.

Worst of all is Hanyuan, formerly called Chinchihsien, a granary of Sikang, which was also affected by the rain which spoiled the grain and hurt the autumn harvest. It is this district that provides Kangting with the greater part of rice and other foods.

The only solution of the problems facing China is to stop the Civil War, exterminate bureaucracy, and punish those high officers who are corrupt and avaricious, not in words, but in action. Only in doing so, will the Kuomintang get the sympathy of the majority of the people.

H. S. LING.

Kangting, Sikang,
September 14, 1947.

Far East Munich?

To The Editor:

At last the ruling clique of the Kuomintang has officially manifested its probable intention of going back to Josef Stalin if Washington and Wall Street do not do their duty and pay up. US administration officials are showing increasing concern over indications that China may be thinking of joining the Soviet Union, said *United Press* and *Associated Press* messages of September 16, from Washington.

Although some Americans believed it was only an attempt by the Kuomintang to "indulge in a form of 'blackmail,'" for extracting a more "favorable decision on the granting of economic aid to China," the American Government and its followers will have to prepare for another Pearl Harbor, or a Far East Munich, if they still entertain their wishful thinking that the present Kuomintang setup can be relied upon for the coming anti-Comintern crusade.

Your *Review* has often published letters and statements warning the American Government that China, under the existing regime, may execute a volte face against the U.S., no matter how much aid the U.S. is willing or able to give. It is the existence of thought control, a feudalistic elite, terroristic secret police, persecution of liberalism and academic freedom, that is so fundamentally repugnant to the Anglo-American ideals of democracy. The Kuomintang bigshots would never feel at home with the American way of life. It is only natural for them to use American guns to kill pro-American democratic elements in China. So long as the U.S. Government supports China's present rulers unconditionally, it is guilty of a crime of betrayal such as Judas committed against Christ, but, after

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all, even Judas was paid 30 pieces of silver.

I have just read the list of candidates nominated by the Kuomintang in a certain electoral district to the National Assembly. I could prove that each of these candidates is anti-Anglo-American in thought, and guilty of imitating Hitler and Himmler in their actions. Why should Truman and Company finance such a group of enemies in fact and in political convictions.

The success of Moscow in China rests in that the Kremlin remembers its friends. Washington's calamity is caused by aiding its potential enemy to persecute its friends in China.

When Neville Chamberlain appeased the Nazis by sacrificing his country's friends —the Czechoslovakian Army and people, the fate of Dunkerque was sealed. When Harry Truman supports a Government that persecutes his ideological friends, American diplomacy in the Orient becomes bankrupt. The consequences can be nothing but disastrous.

PETER SINGH.

Macao,
September 20, 1947.

The Danger

To The Editor:

Ever since the outbreak of the Civil War, the Chinese Government has been hankering for more material assistance from the US. However, the latter keeping a constantly watching eye over the developments of the Far East, has carefully shunned an immediate, deliberate response and has deferred the matter until her policy is determined, fearing that too early a decision might incur possible international trouble.

In order to secure what she urgently needs, China has put her best foot forward to win the pleasure of her friend. In any international conference, ideas proposed by the US are certain to get China's compliance. For the same reason, Nanking's representatives in Tokyo have been keeping silent all the time.

However, after General Wedemeyer's parting message which indicates no sign of a loan to China, our politicians and militarists finally realized that the US aid can no longer be obtained with ease. Disappointed, and disgusted, they have begun to let the US know that they may in the future change their attitude and policy by turning to the side of the Soviet Union. Dr. Wang Shih Chieh, Foreign Minister, announced that if the Soviet Union won't dispatch delegates to the Peace Conference with Japan, China may not participate in it either.

A nation that relies merely on ONE foreign nation for all its necessities is apt to be paralyzed when the latter suddenly ceases to afford supply. It is only on mutual dependence that reciprocity, permanant friendship and respect can be steadily maintained between nations.

If a nation's cultural and economic condition is not on a level with that of another, there will exist a natural tendency to interfere by the superior nation. The difference in level, however, can be made up by the inferior country's own efforts.

If China does not possess the power to build up a nation without resorting to foreign aid, we should strive to manage tactfully and secure the needed aid from several SEPARATE countries. In other words, we should study the specialities of every nation and obtain their aid for our amelioration. The Soviet Union's and the former Japan's achieving of world power is chiefly due to, after their revolution and reform, their seeking aid from several foreign nations.

In addition to military equipment, we are importing from the U.S. goods, ranging from machinery to consumer goods such as tooth paste, brushes etc. I am afraid, we are now too much dependent upon others. Can't we manufacture even the daily necessities such as tooth paste, etc? There is no reason to allow the U.S. made daily commodities flood into the market while the cheap, easily obtained goods from Japan are not preferred. I should say it is not necessary to fear that Japan will rise again to become aggressive. Are we too feeble and powerless to defend ourselves against even a defeated nation which has been stripped off all its military facilities? Can't we erect a tariff wall for merchandise not favorable to us or issue regulations to control foreign trade?

I hope that our Government will soon sniff the danger of relying solely on other nations, and quickly get on her feet and work out ways by herself and secure foreign aid provided it will bring happiness to the Chinese people.

JOSEPH CHING.

Nanking
October 5, 1947.

Vital Step

To The Editor:

I am very glad to renew my subscription to the *Review* which always carries many valuable articles, concerning our chaotic country.

China is still backward in many respects. There are savage actions, official corruption, starvation, famine and the Civil War at the expence of the poor. All these evil, dark spots I wish you would describe as much as you can. Selfishness, egotism, and the corrupt life of some government officials and capitalists must be condemned. It is a vital step to saving the country!

M. C. KOO.

Nanchang, Kiangsi,
September 16, 1947.

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Efforts Of 36 Years

THE years of the Republic, they are now 11, and the widespread observance of the anniversary is marked by a quiet and restrained joy and satisfaction betokening an unbounded faith and confidence in the stability and endurance of the Republic which is of happy augury for the future. Not for many years has the outlook for the Republic been more promising and hopeful. The writing on the wall proclaims more clearly than ever the doom of Militarism in China, and the complete victory ultimately of the forces of Constitutional Government.

The foregoing is an extract from a *Review* editorial of October 14, 1922—precisely 25 years ago, and we wish we could begin our editorial in a similar vein. Unhappily, we cannot.

When reviewing the efforts of 36 years under the Republic, we are reluctantly forced to admit that the hopes and ideals of the revolutionary leaders of 1911 have not been fulfilled, and the Three People's Principles of Dr. Sun Yat-sen hardly yet implemented. At this date, 36 years intervene between the beginning of China's revolution and its as yet unforeseeable climax, while her Civil War, a phenomenon which often accompanies revolutions, has been extended to more than two decades.

China's achievements are many and varied and the more to be marveled at in that they were obtained under the most adverse circumstances and often against seemingly insurmountable difficulties. But these achievements, although representing "progress" and "modernization" in one sense, in another hamper China's future development.

Witness, for example, the state of China's airlines, her air corporations which can compete with those abroad both in efficiency of organization and passenger service. Witness China's postal service, which appears to be on the threshold of instituting the zoning system adopted in the more developed western countries. Witness again China's radio communications; her sovereign Customs service; her skyscrapers and modern, air conditioned buildings; her cars and limousines of the latest imported makes; her modern army, navy and airforce, armed with the latest varieties of weapons, and only short of the atomic bomb; and many other features which usually go hand in hand with a nation's progress from feudalism towards modern capitalism. Yet, in spite of these innovations and all the modernization on the surface, one actually wonders whether China has really departed from the state of 1911.

* * *

WHEN we examine one by one the Three People's Principles of Dr. Sun Yat-sen and consider the manner of their application to Chinese life, we have ample basis for pessimism.

The first principle—Nationalism—which provides for the struggle of the Chinese people toward freedom and independence, and for the equality of all races residing on China's territory, may be said to have been implemented in its first half. The people of China have regained their political freedom from foreign domination; they have independence. China is now one of the Big Five, she is vested by the United Nations with the power of the veto—a power entrusted to only four other nations in the entire United Nations community. In this respect victory of one part of Dr. Sun's first principle seems to be complete. Yet when the surface is penetrated, China's freedom and independence will appear a puny thing.

On the very borders of a weakened China there is preparing to arise a "famished tiger," as the Chinese press has dubbed Japan which is practically back on her feet following recovery from the knockout blow dealt her two odd years ago by the victorious Allies. No deep powers of observation are required to realize that China has been gradually losing the war with Japan, and returning to the state of affairs prevailing around 1930, when Japan was about to seize Manchuria. It is of course erroneous to suggest that Japanese troops are poised for an attack on China, but aggression does not necessarily begin with military moves: Japan's recovering economy is just as good a weapon against China, as were her soldiers in 1937.

This danger of Japan is now being realized by China's leaders. But it is perinent to assert that it is high time to do so, and that this realization should have arrived some two years ago for then it might have been possible to prevent the present goings on in Japan. The fact that Japan is right where she was is one good reason to say that even the first part of Dr. Sun's principle of Nationalism has not been successfully handled. Independence and freedom are actual and real only when they can be safely guaranteed against infringement.

The second part of the Nationalism principle which provides for the equality of all races and minorities residing on China's territory is not unblemished. The various and periodically dispatched delegations from China's minority groups to Nanking to present their case and plead for better treatment testify that the second part of this first principle has not yet been fulfilled. It has been said that a people cannot actually be considered free that continues to oppress other peoples abroad or minorities at home. The problems of Sinkiang, Tibet and a few other remote

places such as the Lolo regions remain indications of the necessity to work in the direction pointed by Dr. Sun—the achievement of a united Chinese nation, blending within itself all races living in China.

* * *

DR. Sun's principle of Democracy has likewise a long way to go. The people's rights of suffrage, initiative, referendum and recall of their deputies may be formally brought to life in the first elections scheduled for November this year, had it not been for the Civil War, and the fact that Chinese voters are "too stupid and ignorant," as one rightwing paper in Peiping said.

Why are Chinese voters that way in the 36th Year of the Republic? This is a question most difficult to answer for China's present leaders. Of course, there is the convenient expanse of space, the time required to traverse it, the 400,000,000 or 500,000,000, or some other figure not yet ascertained in this year of grace, although the Ministry of Education professes to know the exact figure of illiterates to the nearest person.

One good—although dangerous and highly undiplomatic—answer to this question is that the people have been neglected. In their extreme preoccupation with five-year, economic reform and other plans, the leaders of this Republic have entirely forgotten the existence of hundreds of millions of plain folks—the country's richest asset. This is one reason why none of China's ambitious plans have materialized to date, although with this enormous manpower any plan, no matter how ambitious and far reaching, is dwarfed by this mass of potential workers. The Republic's leaders have exploited every known means to implement their plans, including foreign loans, but left out of their calculations the people.

Two years ago, Generalissimo Chiang Kai-shek, on the occasion of this very same anniversary, announced a five year program of reconstruction. "As 80 percent of the Chinese population are farmers, industrialization must go hand in hand with agrarian reform," the Generalissimo said.

Two years later, in a message to the first meeting of the National Land Affairs Conference, the Generalissimo deplored the failure on the part of the Government to implement fully Dr. Sun Yat-sen's theory of land equalization, which he said gave the Communists an opportunity to exploit a so-called land reform program in an effort to win popular support.

This admitted failure to implement Dr. Sun's third principle—the People's Livelihood, which we shall discuss later—is a failure to enlist the people's cooperation in the fulfilment of the Government five-year plans.

Dr. Sun's Principle of Democracy is inextricably connected with his Principle of the People's Livelihood, for there can be no democracy without livelihood. Some people profess to believe that the mere machanical casting of ballots by "stupid and ignorant" voters for party nominated delegates will be the first step in bringing democracy to this Republic. We feel that mere voting is not enough and no kind of democracy will be brought to this country even if the elections take place. Only when the people are assured their livelihood, and only when they are drawn into the immense job of building a new China, will their votes count. Only when the Chinese lao pai hsing begins to realize that his country is his own, and that everything depends on *his* efforts, will every Chinese vote at the polls be worth its weight in gold and more.

As things stand today, the conception of human rights is dictated by officials, this conception being their personal understanding of human freedoms, and not the universally accepted interpretation. First we have the announcement that human rights will be safeguarded, freedom of assembly and speech guaranteed. Then we see that only officially backed demonstrations have freedom of assembly, officially approved opinions have full freedom of being expressed. Arrests of students and workers follow charges of Communist affiliation and instigation, for now it transpires that those belonging to the "treacherous party" have no right to enjoy human rights granted under the Constitution which has yet to come into life. The Democratic League itself—an organization which has as its members some of the very liberals General Marshall proposed for leadership in this country's affairs—is to be eradicated. The *Ho Ping Jih Pao*, for example, on October 3, suggested that the Democratic League be "drastically liquidated," while the *Lih Pao*—the workers' paper—wants to "eliminate the appendage of the Communist bandits." Altogether a highly baffling situation in this 37th year of the Chinese Republic. It seems that all those criticizing Government policies ipso facto belong to the "treacherous party." This is paying too high a tribute to the Chinese Communists, who undoubtedly do not enjoy the support which the Kuomintang attributes to them.

If only there were a sure criterion for analyzing Chinese Communists all might have been well. But as things are, it seems that the criterion is opposition to actions of government officials and policies—the very policies which time has proved wrong and which Kuomintang leaders themselves have deplored as failures. With the allout attack on the Democratic League, the twilight of liberalism has come to China: henceforward a Chinese is either a reactionary or a radical.

When the abridgment of human rights takes on a well organized and efficient form, it is difficult to concede that Dr. Sun's second Principle of Democracy has been fully or partially implemented.

* * *

DR. SUN'S principle of the People's Livelihood is perhaps the most painful to discuss. For what avails it the man in the street—the man who sleeps in the street—that China's airlines function on schedule and that beautiful hostesses brighten one's passage from here to elsewhere? What avails it the lao pai hsing that China's postal system functions better than ever before, or that Buicks and Cadillacs toot their way along Shanghai thoroughfares? Or that modern buildings are being constructed in Nanking with the

aid of "reconstruction loans" considering that they are to house only officials?

China's peasant has been a pauper for many centuries, and still is. And this is about the best proof that Dr. Sun's third and most vital principle —that of the People's Livelihood—has been neglected. Many Chinese leaders are fond of starting their statements with the hackneyed: "Because 80 percent of China's population are peasants....." And to this very day, the lot of this 80 percent has been utterly forgotten. The various projects for improving China's agricultural methods, the attempted introduction of tractors and other agricultural machinery have failed—and will fail—because the lao pai hsing remains a beggar.

Land To The Tiller is a fine slogan if brought to life! But we have much too long heard talk about the 25 percent reduction in land rent. A high official privately told a foreign correspondent that this policy was never implemented for fear of alienating the land owning class. This is tantamount to admitting that the Kuomintang has all along been backing the wrong horse. It has been seeking support and solace from 20 percent of the population as against the 80 percent that craves land equalization above all else. The Chinese peasant, on the other hand, illiterate though he is, possesses that natural perspicacity inherent in all illiterate men: he judges his friends and enemies by their deeds, and not by statements and promises. The Communists may well be called canaille for exploiting this natural reaction to policies, but it seems they don't mind being called bandits so long as the landlord refuses to compromise with the peasant. The report that KMT members have been instructed to study the good and bad points of the Red land policy is a sure indication that for some time now the Government has been aware of the dominating position this question occupies in the Civil War.

If this land equalization is not carried out—a measure which involves millions of people—what basis is there to assert that the Kuomintang has not deviated from the tenets of its founder? What else is there to implement besides the Principle of The People's Livelihood? As foreigners we may be poor experts in China's affairs, but try hard as we may we simply cannot perceive another problem more urgent than the equalization of land.

In this 37th Year of the Chinese Republic the question of land equalization is treated on a par with the birth of quintuplets: it is rarely mentioned in the press. Now and then an item appears on some land conference which starts out and adopts resolutions, and that is the last we hear of it. The Communists have "exploited the so-called land reform program to win popular support," to put it in the words of one of China's leaders. From where we sit it seems like a good idea for the Kuomintang itself to exploit a so-called program of land reform to win popular support. Or are we to greet the 37th anniversary to the strains of more admissions of failures?

In our comment on this great anniversary—it is great in spite of all the shortcomings we mentioned above—we have concentrated mainly on the issues we consider the nub of China's present crisis. We have not gone into an analysis of foreign trade, fiscal policies, military affairs, education, corruption and inefficiency, nepotism and favoritism, and such other matters, because of all these much has been written in the year that separates the 35th anniversary from the 36th. We have laid especial stress on the Principle of the People's Livelihood because we sincerely believe that none of China's problems can be adequately solved until this people is assured its livelihood. As an illustration of this belief we would like to enquire as to the use of the further modernization of the various services in which progress has already been made. Aviation can become more efficient, traffic not so congested, the cities will be zonified, and there will be no pedicabs on Shanghai streets. But all these achievements leave the Chinese peasant right were he used to be: China's forgotten man. It is for this reason that we have stressed Dr. Sun's Principle Of The People's Livelihood.

* * *

AS any one with perspicacity will note, the tone and tenor of our comment apropos the 36th anniversary of the Chinese Revolution is very much out of tune with the general acclamation of this event in the press. We are out of tune, because we wish the Chinese people well. We are out of tune because we consider that the best present the Chinese people could wish for on this great day is a capital levy and the liquidation of all large private holdings of stocks and other foreign investments for the reconstruction of the country. We are out of tune because we believe that there should be no collection of millions of piculs of cereals for military consumption. And, finally, we are out of tune because we wish the Civil War to stop, not with the defeat of either the Kuomintang or the Communists, but through the formation of a coalition government, representing all sectors of Chinese society: landlords, capitalists, petty bourgeoisie, the intelligentsia and peasants and workers.

We do not join those who insist on panegyrics at this hour: there is nothing much to be happy about. Thirty-six years have elapsed since the revolution began and until it is completed there is no cause for happiness and felicitations. The problems ahead are immense in scope, the efforts of the entire Chinese people are required for their solution. And these efforts can be utilized only through the formation of a coalition government, such as envisaged in the People's Consultative Conference, unhappily of sorrowful memory.

We may be accused of idealism for advocating such a solution to China's problems, considering that the fateful PCC is never any more mentioned in the Chinese press. But being outside of the conflict itself—non-participants and non-partisans—we may advocate solutions which are out of touch with reality. Nevertheless, we firmly believe that there is no other solution to China's ills. A nation cannot remain divided for long—it must unite. And the basis of unity is just such a coalition government as agreed upon by all parties in the PCC pact—unity not through force, but through singleness of purpose.

Sinkiang Province Today

Christopher Rand

(Mr. Rand, the writer of this article, is the correspondent in China for the New York Herald Tribune. He has just returned from a lengthy trip to China's Northwest during which he visited China's border province of Sinkiang, the scene of civil disturbance for the past few years. The editors consider his account of conditions in Sinkiang as the most responsible and competent story on this area to be published here for some time.—EDITOR.)

DURING September I spent two weeks in Tihwa and nearby parts of Sinkiang. It is very hard for a stranger to learn much about the situation in that time, since the fear and the propaganda seem at a higher pitch in Sinkiang than anywhere else in China. I think the following general facts are true, however.

1) The present relationship between the Sinkiang government and the Ili area—armed truce with no formal liaison—may continue for some time.

2) In short range terms, the Central Government has improved its position considerably in Sinkiang since the fighting stopped there a year and a half ago.

3) Despite the efforts of a few men like Chang Chih-chung, however, the Han officials still tend to run Sinkiang in the old style, treating it as a colony inhabited by barbarians whose problems are not of much interest.

4) The connection between the Soviet Union and the Ili government is far more obvious than that between the Soviets and the Chinese Communists.

5) In the long range, Russian influence seems bound to spread in Sinkiang, presuming that the Central Government will get weaker and will be unable to liberalize its minority policies, because as the Twentieth Century filters into Sinkiang it is bound to favor Russia.

• • •

HERE are a few details about these points.

I talked to a great many people in Tihwa, and not one of them said that major warfare between the Chinese and Ili armies is likely to come soon. The present armed truce follows a year and a half of unsuccessful attempts at a coalition provincial government. During this time two struggles were going on. One was on the surface, with each side trying to get a better deal in the coalition structure. The other was concealed power polities. The Central Government was sending more troops into Sinkiang and was playing what seems like an able divide-and-rule game among the local peoples. The Ili leadership was trying to set up a good modern underground throughout the province for propaganda and political work. As time dragged on very few of the important terms in the coalition agreement were implemented, and the veiled struggle for power grew more intense. A major blow was struck by the Chinese side in May when Masud Sabri was appointed governor of Sinkiang. Masud is a Sinkiang Turki by birth, but he is old and sick, and everyone seems to recognize him as being safely in the hands of the Kuomintang. His appointment was regarded by the Ili people as an empty gesture toward autonomy that would undercut any real demands in that direction. They began attacking him immediately in their propaganda, and their relations with the Sinkiang government began to get worse. In the middle of July, there were simultaneous revolts at Turfan and a couple of other Southern Sinkiang oases. It seems generally taken for granted that these were instigated by the Ili group, and in fact their timing indicates a trained and province wide leadership. They were put down quickly by Han and Chinese Moslem troops, and they were followed by a general suppression of the Ili party everywhere in Sinkiang, except in its own territory, where the hand of the Chinese Government does not reach. Shortly after this—on August 26—the Ili leaders, suddenly and without explanation, left Tihwa for their own territory. Since then formal relations have ceased. The Russian airline that flies from Alma Ata to Hami still lands at Ili and at Tihwa as well, and there is some trade over the frontier, but politically there is no open connection.

• • •

ONE reason generally given why there should be no immediate large scale war is that the Chinese have become too strong for the present Ili forces to attack them successfully in a big way. The parallel reason given is that China cannot attack for fear of drawing Russia in deeper, and also because some major battle might be lost, and this would be disastrous with reinforcements so far away. Small scale raids, however, are expected and are in fact now in progress. The Kazakh troops of a China backed leader named Osman are now attacking Ili holdings in the Altai mountains. Chinese military authorities, who maintain they are still observing the Ili peace agreement, say that although they have armed Osman and his followers they have no control over him because he has not yet been incorporated into the Chinese Army. They say his present campaign is just a personal matter—that like all Kazakhs he wants to display his courage in battle, and that many of his troops have wives in Ili territory whom they have not seen for a long time.

This winter it is expected that some of the Ili nomad cavalry will make raids through the passes of the Tienshan, which is their present Southern border. The winter is said to be a good time for this, because there is snow in the mountains that will water the horses, and because conditions are more unsuitable then for Chinese troops than at any other time. Raiders crossing the Tienshan would descend on various Southern Sinkiang oases, where Chinese misrule is said to be at its worst and where revolts might be stirred up.

Fighting on this scale, which can be shrugged off through stories like that of the Kazakhs and their wives, can usually be kept from starting any very big trouble.

A reconciliation is still possible, with Ili representatives going back to Tihwa for new coalition attempts. Chang Chih-chung, regarded by everyone as a most conciliatory man, would presumably like this. Other Chinese officers and officials would not, however. They feel their position is stronger if the Ili organization is confined to its own territory. It is hard to see how a reconciliation can be worked without the removal of Masud as Governor, and it is hard to see how Nanking, where he has considerable backing, would agree to this. This point is probably under discussion now. Chang Chih-chung is in Nanking himself and so are a couple of important Sinkiang politicians, including Burhan, a Tatar, who stands better with the Ili people than any other leader who is not committed to their side.

• • •

THE Chinese hold on Sinkiang has recently been tightened in these ways. Troops have been brought in until they now number almost 100,000, according to the military authorities. This is, of course, a good deal of strength to take away from the Civil War, and it might be called a big gamble on Sinkiang's future by Generalissimo Chiang. Other resources have been applied in an attempt to solve the bad logistics problems of the Sinkiang garrison. For instance, the Government has a hundred new Dodge trucks based in the Kansu corridor, whose function is to carry gasoline from the Yumen oilfields to Tihwa. It was told officially that CNC$40,000,000,000 a month was being spent on the army in Sinkiang last summer, and CNC$9,000,000,000 a month on the

civil administration. It is possible that the cost is considerably higher than this.

The Chinese divide-and-rule policy has consisted mainly of choosing two warlike minorities—the Kazakh nomads and the Chinese Moslems, who are treated as a group apart from the Han—and buying them over with jobs, arms, and other favors. The Finance Commissioner in the Sinkiang Provincial Government, for instance, is a Kazakh who, non-Kazakhs claim, cannot tell you what 20 plus 15 are equal to. The Kazakhs are spoken of by other groups in Sinkiang as being very simple people who will go along with anyone willing to spend a little money. Apart from this, there was a hole in their relationship with the Ili movement, because Ili Kazakhs did the fighting in the early days and non-Kazahs from the cities inevitably took the movement over when talking and negotiations had to be done. The Chinese administration in Sinkiang, which includes some very able men at the top, has worked around this situation and has made a great deal of headway among the Kazakhs. Kazakhs are possibly the world's best natural cavalrymen. They are nomads, inclined to think the only fit occupations for a boy or a man are riding and shooting. When you get large numbers of Kazakhs on your side you are doing well, though it is not easy to hold them. The Chinese Moslems are also useful. They are good fighters, and there is exploitable bad feeling between them and the Turki people of the Sinkiang oases.

* * *

PROMISES of reform, and concessions to local elements, have also strengthened the Chinese position, but will presumably be offset if the promises are not lived up to. This brings us to an important conflict among Sinkiang's Chinese officials. On one side is Chang Chih-chung, and others like him, with an apparently sincere belief that the people's living standards must be raised and that minorities must be given more power over their own destiny. On the other hand, there are many officials who distrust the people and feel they must be handled by force. They think that to relax the Chinese hold on Sinkiang would simply be to give it to Russia.

There seems to be a depressing tendency for the Sinkiang bureaucracy to talk like Chang Chih-chung and act the other way. The actions of Chinese troops in Southern Sinkiang, which is well isolated from Tihwa, are reported to be especially bad. What apparently happens is that Chinese Army units go into league with prominent Turkis in the various oases and set up a natural machinery for oppressing the people, or rather continue one that has existed for centuries. Details on this are hard to get in Tihwa, but I have been told that food is requisitioned at nominal prices, that there is no way of talking back in such cases, and that there is a tendency for small farmers to give up their land as a result. Of course the bringing in of more Han troops is automatically a burden on the people, no matter how good their discipline is, since they take food out of the economy and put nothing but paper money back in. This is being mitigated slightly by the setting up of an irrigation project near Tihwa with soldier labor, but this takes care of only part of the troops and the basic problem still remains.

The divide-and-rule policy, though temporarily effective, also adds to the wear and tear on the people. I was told, for instance, that Chinese Moslem troops who helped put down the July revolts used the occasion to settle some old grudges against the Turkis. And the giving of important jobs to key minorities, without much regard to the qualifications of the men concerned, naturally makes the government less able to serve the public.

Chang Chih-chung is said to be trying hard to increase trade between Sinkiang and China Proper. He has set up a subsidized outfit called the Northwest Development Company for this purpose. The company is trying to get sugar, tea and cloth into Sinkiang and bring out raw materials like wool, and handicraft products like rugs. This seems like an enlightened project that should raise the living standard and improve relations if it can be put over, but the obstacles to it are disheartening. Even in normal times Sinkiang is separated from China Proper by weeks of semi-desert travel. Now this is being made worse by the disintegration of communications between Northwest China and the Coast. In late August and early September, the Lunghai was knocked out east of Sian for what may be the duration of the war. The Peiping-Suiyuan line, which comes as far west as Paotou, is increasingly subject to Communist threats, and anyway is separated from Sinkiang by warlord territory where the tolls on commercial transport are reported high. Lanchow traders now figure that the best route to Shanghai is by truck to Chungking and thence down the Yangtze, which takes almost a month, going with the current. Under these circumstances it is hard to do anything. If the Northwest Development Company brings Taiwan sugar to Tihua the costs are more than three times the retail price established there by Russian sugar in the past. How long and how energetically can the Central Government pursue a thing like this?

* * *

THE details of what Sinkiang means to Russia and what Russia is doing about it are obscure, especially since the Ili area is now blocked off to outsiders. Sinkiang as a whole produces, or can produce in some sections, a surplus of grain, meat and wool. It is also known to have deposits of coal, iron, tungsten, molybdenum and other minerals. The extent of these can only be vaguely estimated by the Chinese, though it is probably better known to the Russians, who did energetic survey work in the years around 1940, when they had virtually free access to the province. (The reports of uranium in Sinkiang are only unsubstantiated rumors, so far as I can tell.) The best of almost all these raw materials are concentrated in the Ili region, and much of the food surplus there is now said to be going into Russia.

Sinkiang must have figured in Russia's defensive thinking for a long time. In Tsarist power politics it was a buffer against the British in India, and now supposedly it must be regarded by some as a buffer against America in China. Also, because the various peoples in Sinkiang are basically the same as the various peoples in Russian Central Asia, it was a source in which nationalist movements might arise that could threaten Russia's hold over her own territory. Russian Central Asia has become much more important since the wartime eastward movement of industry. With war distances shortening, Russia must inevitably have an interest in Sinkiang.

If it is true that Russia is bent on expanding in all directions, of course, Sinkiang must come into it. It borders on Russia and on Outer Mongolia for more than 2,000 miles.

Hard facts on Russian support of the Ili movement are scarce, but they are not completely lacking. The Sinkiang authorities claim a great many arms were supplied early in the revolt. People whom I consider absolutely reliable have reported seeing automatic weapons, anti-aircraft guns, and a few fair haired officers in Russian uniform in the Ili region. They say the anti-aircraft guns, for instance, were not captured from the Chinese. Ili nomads and peasants could not even operate them without trained direction. The fact of help can be established but the volume and timing of it are matters of rumor. I have been told on good authority that Russia did not come into the revolt until several months after it had started, as a spontaneous upheaval against the remnants of the Sheng Shih-tsai administration. It is impossible to say whether the connection with Russia is still as strong as it was two years ago. This would be a hard thing to tell even if one could get into the Ili region. Russians from Central Asia look and talk like Sinkiang natives, and can be easily disguised.

There is a cultural affinity between Russia and the Ili movement. A good many of the Ili leaders are returned students from Russian Asiatic cities like Tashkent, Alma Ata and Samarkand. Most of them speak Russian as their second language. When the Ili representatives were in Tihwa working on the coalition line, they maintained a close liaison with the Russian Consulate-General there, which has very little relationship with the Chinese authorities. Besides, the Ili organization and propaganda work has shown a sophistication not to be expected from unguided Sinkiang natives.

The Russian Consulate-General in Tihwa has been issuing passports in a way that many people have called questionable. In theory these are issued to reformed White Russians, or descendents of White Russians, just as they are in Shanghai. In practice,

I was told on what I think is reliable authority, the passports are given to many people who have never been near Russia. Of course many true White Russians no longer have documents to prove it, so the Tihwa Consulate has to be somewhat lenient. The rule is that if you can get two witnesses to swear to your Russian origin the question is settled, and this can be applied sloppily. There are many stories—uncheckable and not from disinterested sources—that Ili leaders systematically recruited citizens for Russia when they had freedom in Tihwa. However this is, the number of questionable new Russian passports in Tihwa alone is certainly in the hundreds and perhaps in the thousands. Most of the holders have not renounced their Chinese citizenship, and have failed to register with the Wai Chiao Pu as required by law. The Tihwa Consul-General has also failed to turn their names over to the Chinese authorities at the latter's request. It might be answered that his secrecy is needed to protect the new citizens from police reprisals. At any rate the situation has produced a local group with a hidden divided allegiance, and this leads to suspicions.

The underlying factors drawing the Sinkiang people toward Russia are strong. To many of them, Sinkiang is East Turkestan and Russian Central Asia is West Turkestan. The five-year plans material conditions seem unquestionably to be better in West Turkestan. Russophobes in Tihwa say that most of the Sinkiang people are in dread of Russian secret police methods, which they claim are copied in Ili. No doubt this is true of rich Ili refugees, but on the whole it must be a case of the devil and the deep sea.

Economically Sinkiang, and especially the Ili area, is strongly pulled toward Russia. The Turksib railway runs close to Sinkiang's western border, and the Ili River flows off toward it. It is one of the facts of life that manufactured goods can be brought in much more easily from the Soviet side, and this should always be true. This makes a lot of difference. When relations are good with Russia, there is generally more business, more prosperity, and more things to buy.

The cultural pull is also very strong. A young Sinkiang man who wants a decent education has almost no way but to go to Russia. If he tries to study in China he wastes his best years learning the language. A few get out to Turkey or India, but generally only the sons of rich families. Many Sinkiang boys come back from Russia as eager missionaries of the Soviet system.

Dr. Sun's Province Retrogresses In Republic's 36th Year

LO HUNG-CHAO

Canton, Sept. 30.

AMONG the Chinese who celebrate the Double Tenth, the Cantonese are certainly not the least enthusiastic. And the reason is not far to seek. In the first place, the obscure Macao doctor who headed the anti-Manchu movement and finally became the President of the Chinese Republic is a Cantonese. In the second place, the 72 martyrs who died for the revolutionary cause and were buried at Hwanghwagang, are mostly Cantonese. And among the veterans who fought for national emancipation 36 year ago, and still live to tell of the heroic deed, not a few are the sons of the Pearl River.

As in every year in the past since the establishment of the Republic, the Cantonese will celebrate their national holiday this year. But they will do it in only in a perfunctory manner. For in their heart of hearts they can find very little to be happy about and a great deal to worry about and grieve over. Looking back at the happenings in the last 12 months, they cannot but feel that harder times are ahead.

Widespread Unrest

A year ago, Kwangtung enjoyed comparative tranquility. It is true that Hainan was seething with insurgence and the rural people throughout the province were harassed by gangs of roving outlaws, but not to such an extent as we see today. In the last twelve months, the situation evidently took a turn for the worse. Villages were sacked and burned, police stations surprised, several cities besieged and captured, though not held for long. The "bandits"—which is a term covering Communists, quasi-Communists, and brigands pure and simple,—are especially rampant in Hainan Island and the southern districts, where some of the magistrates find their dominion exactly coextensive with the city boundaries.

It is a Chinese proverb that bandits are the products of misrule, and the present government is certainly not one credited with honesty or efficiency. Of the many malpractices it stands accused of, bribery is the most glaring. Offices high and low, are sold and purchased as hot cakes, and the civil servants look upon their duties not as services to be rendered, but as privileges to milk the people. It is reported that the magistracy of a certain rich district fetched as high a price as CNC$1,400,000,000.

Aspire To Fat Offices

Like the democracies, we have our "representatives" in the district, municipal and provincial councils. We look to them for voicing of grievances and righting of wrongs. But these are precisely what they cannot and will not do. Consisting of retired soldiers, politicians former bureaucrats, merchants and county squires, they have never been representatives of the people and never wished to be. Many of the councillors are aspirants after fat offices, wagging their tail to the powers that be and expecting crumbs from their masters' tables.

One of the interesting developments is that the attempt at setting up a representative government in November this year, actually fans the flame of official corruption. Hitherto, a job hunter has had to find favor only with the rulers. Hereafter he will have to get votes, and votes mean money. Seeing that lack of sufficient funds will disqualify them for the political game, officials, one and all, are redoubling their efforts at grabbing. Consequently, the people are bled whiter than ever before.

Electioneering On

For several months, electioneering has been in progress. Names of candidates for the Legislative Yuan and the National Assembly have been published, letters signed by local bigwigs enlisting support for this man or that have been circulated, and many a quiet corner in the districts has been honored by a visit or two by the contestants or their henchmen. Still the campaign has not been in full swing, for nominations have not yet been made by the party bosses in Nanking. Although the election will ultimately take place here, the hottest fight is evidently to be fought behind closed doors in the capital.

Both the Youth Party and the Social Democrats have set up branch offices in Canton, but their activities are seldom reported in the papers. Hard as they work in attracting people into their fold, the recruits are negligible in number. A few opportunists in the Kuomintang have joined up, however, although the connection is still being kept secret in case the tide should turn the other way.

As for the opposition, the Democratic League practically has no voice here. The strength of the Communists is hard to estimate, although their influence has been growing. General Li Chi-sen, the ex-warlord in Hongkong recently expelled from the KMT, has been sharply critical of the Central Government, but there

is little truth in the report that he is sending supplies to rebels in Kwangtung and Kwangsi.

Among the topics frequently discussed of late, are the separation of the Canton Municipality and Hainan Island from the province. The former was carried out several months ago; the latter will also shortly become a reality. But to those not immediately connected with the political scene such nominal changes have but limited interest. What they want is a good government, not a bad government split into two or three.

Administration: A Mess

With the exception of road repairing, the Canton Municipal Government has done pretty little for the welfare of the community. Robbery and burglary continue unchecked; public health is neglected as before; incompetent chauffeurs licensed without strict examination crash into shops and kill pedestrians every day. The public utilities, municipally operated, are public scandals. Running water in the summer months was as muddy as the Yellow River; electric supply is fitful; one-third of the telephones usually refuse to ring. It is indeed a mystery that a government with such a vast amount of revenue could have made such a mess of its job.

Economically, the province is suffering from three causes in addition to the aftermath of the eight year war. Poor communications, rampant bandits and corrupt officials are the big stumbling blocks to our economic recovery. On top of that there is the flood, the greatest in the last 30 years. According to official statistics, it has affected 87 districts and municipalities, laid waste 18,566,165 mow of paddy fields, and reduced 6,174,414 people to penury. A heavy toll, indeed!

The Canton office of CNRRA has wound up, but its shameful record will not be easily forgotten. In the last twelve months, there was hardly a day in which we did not hear of money misappropriated, supplies stolen, stores substituted with inferior stuff by the workers in the organization. In Canton, a CNRRA employee is regarded as a gold miner; a clerk there lives as luxuriously as a prince. The American employees too, are not free from blame. Two men I know hailing from the United States demanded rebates and commissions just as shamelessly as their Chinese subordinates.

Largescale Smuggling

Smuggling in Kwangtung has assumed gigantic proportions. Via the Canton-Kowloon Railway and aboard steamers and motor boats plying between Hongkong, Macao and Chinese ports, foreign goods paying no duty pour in. On the other hand, quantities of wolfram, tung oil, duck feathers, Chinese medicines and foodstuffs are moved freely from the hinterland to foreign destinations. With the tightening of import controls at Shanghai, illicit trade in Canton increases by leaps and bounds. However hard the Customs may fight against the racket, the chance for clearing it up is quite slim.

There is no doubt that smuggling here is backed by the local magnates, but it is also indirectly encouraged by the Central Government. For the net effect of the absurd foreign exchange control is nothing but more illicit exports. When a merchant exports something abroad, he is required to sell the foreign exchange to the Government or sign a bond to such effect. But what he gets in return is Chinese dollars at the official exchange rate. Unless he is willing to incur a loss, there are just two alternatives for him. Either he smuggles his goods outright, or files a bond under a pseudonym. In either case the Government gets no foreign exchange.

There is another way in which the foreign exchange control defeats itself. In prewar days, Kwangtung used to have an annual remittance from abroad of around US$100,000,000, which was generally handled by the government banks. Today, most of the Chinese overseas send their money via Hongkong, instead of Canton and through foreign, instead of Chinese banks. Thus the British Colony stands benefited, while the Government loses what was originally its own.

Inflation Serious

The effect of currency inflation in Canton is almost as serious as in Nanking and Shanghai. At the time of writing, the commodity price index was 45,000 times its prewar figure. From the poor clerk in the Government up to Governor Lo Cho-ying himself, no one can live on his own pay.

As the people have lost all their confidence in the national dollar, the Hongkong currency predominates in the market. It is the object of hoarders and the chief medium of exchange. Commercial dealings involving a large sum are made invariably in terms of the Hongkong dollars; rentals are based on it; and at Lingnan University even the tuition fee is to be paid in Hongkong notes.

In the last year, education in Kwangtung has made but little progress. Of the Cantonese school age children, says Mr. Yao Bao-yui, provincial commissioner of education, 34 percent still have no schooling at all. With the big increase in the tuition fee this fall—six times the amount in the spring—more children are thrown out of the classroom. In some of the private middle schools, reports the *Chien Kuo Jih Pao*, 30 percent of the students fail to register for pecuniary reasons.

The quality of the students, too, is far from satisfactory. In the matriculation examinations of the Peking University, the Cantonese candidates are declared the worst. In similar tests held by Cantonese universities, the professors are appalled at the ignorance and inaccuracy of the middle school graduates. Having been in school for 12 years, few of these youngsters write decent Chinese. In the geography papers, Los Angeles is found to have been shifted to the eastern fringe of the United States, and Heilungkiang to have been diverted from Manchuria to Kwangtung.

The main reason for the poor quality of the students is the shamefully scanty remuneration for the teachers. In the public schools, an instructor's highest pay is CNC$900,000 per month, which is equivalent to CNC$20 in prewar days. Finding it impossible to remain and yet keep the wolf from the door, many a good teacher has said goodbye to his lifelong job and has been forced to do something against his grain, but ensuring a full stomach.

Brainwork Cheap

A very interesting phenomenon is that brainwork is now cheaper than handiwork, and high grade brainwork is still cheaper than the low grade kind. In the newspaper office, a compositor is paid far more than the editor. In the educational circle, an assistant professor of English envies his brother teaching ABC to the kids in a missionary middle school. At a time when China needs her best brains most, scholars are starved into selling books, and ambitious young men are barred from advanced studies.

After the student strikes in May and June, the educational institutions have been straitlaced. Secret police prowl the schools; disguised agents mix with the students. Owing to the pressure of the authorities, five professors of the Sun Yat-sen university, all liberals, have been fired, their contracts notwithstanding. If one is dissatisfied with the local administration, one is a Red. If one criticizes the national policy, one is against the sacred tenets of Dr. Sun.

The *Daily Tribune*, the only liberal organ in Kwangtung, was closed in May. Both the publisher and the editor have been released, but one month's imprisonment is sufficient to silence any critic. Arrested too were Mr. Chen Fan, the Canton correspondent of the liberal *Ta Kung Pao* and two editors of the *Chien Kuo Jih Pao*, though their punishment was lighter. Seeing that to tell the truth means to bid adieu to freedom, all reporters keep mum and the journals have become papers without news.

Such, then, are the conditions in Kwangtung today. It is an unhappy province, a province impoverished by war, ravaged by bandits, saddled with a dishonest, corrupt government and fettered with absurd trade and foreign exchange control. It is a province where teachers are hungry, students are regimented and free thinking is taboo. It is also a province for which Dr. Sun Yat-sen should have wept and the 72 martyrs of Hwanghwagang should have turned in their graves.

China's Five-Year Railway Construction Plan

C. Y. W. MENG

ONE of the most important reconstruction plans which has been decided upon and worked out in considerable detail in postwar China is the first "Five-Year Railway Construction Plan" which is now ready for execution as soon as funds and construction materials are available and the present "fratricidal war" is over.

According to the plan, in five years' time, China intends to construct a total of 14,331 kilometers of railway in the interior provinces, employing no less than 4,720,000 laborers, 942,000 skilled laborers, 27,094 technicians and 48,624 administrative personnel. Estimated at the prewar price level, the construction of 14,331 kilometers of railways will cost China a total of CNC$1,460,356,000 (in prewar value), or US$498,147,000 (at the prewar exchange rate).

14,331 Kilometers

In the first year, the construction of 6,206 kilometers of railways will commence.

In the second year, another 3,326 kilometers of railways will be added. This, together with what will have been started in the first year, will bring the total to 9,532 kilometers under construction. But in this second year, of the kilometrage under construction, 2,812 kilometers of railways will be completed.

In the third year, the construction of another 3,917 kilometers of railways will be begun. This, together with what will have been started in the first and second years, will bring the total to 10,637 kilometers under construction. In the third year, out of this kilometrage under construction, 773 kilometers of railways will be completed.

In the fourth year, the construction of another 882 kilometers of railways will be added. This, together with what was started in the previous years, will bring the total to 10,746 kilometers under construction. But in this fourth year, out of the total under construction, 2,865 kilometers will be completed.

In the fifth year, the construction of the remaining 7,881 kilometers of railways will be completed, thus bringing the total of "railways constructed" to 14,331 kilometers.

Principles Of Construction

According to available statistics, China at present has a total of 27,084 kilometers of railways, 11,330 of which are located in Northeast China (Manchuria), 14,554 in North and East China, and 1,200 in Taiwan (Formosa). For this reason, it was certainly a very wise decision by the framers of the Plan to have decided that in the initial period in postwar China, no more railways should be constructed in China's Northeast and Taiwan, while all available funds and efforts will be directed to the construction of railways in China's interior, to enable these remote provinces to have quicker and safer land routes to northern and coastal China, on the one hand, and to promote the economic development of the vast hinterland, on the other.

It is further pointed out that before the industrialization of China has attained a certain degree of success, attention will be directed to the construction of a number of "trunk lines in the interior, which can be easily extended in various directions in future. Therefore, the present plan essentially covers the construction of several main lines, while providing ample possibilities for their extension during the second stage of the construction.

The construction of the various lines during this initial period is said to have as its primary objective in the linking of interior provinces with coastal China, to facilitate the establishment of industrial areas in the various parts of the country, and to strengthen national defense—on land, as well as on the coast. These are said to be the guiding principles which govern the whole railway construction plan.

Three Great Systems

To be brief, the construction of railways in this period is aimed at the building up of "Three Great Railway Systems" in China, namely, the Northwest, the Southwest and the Southeast.

The Northwest Railway System includes the construction of railways in the Provinces of Shensi, Kansu, Ninghsia, Chinghai and Sinkiang. These lines will not only link these provinces together, but will also give access to North and East China, and establish closer contact with the rich province of Szechuen in the Southwest.

The Lanchow (capital city of Kansu Province)—Paotou (in Suiyuan Province) Line will traverse the most fertile and irrigated land in China's Northwest, estimated at 16,000,000 *mow* (one Chinese *mow* is equivalent to one-sixth of an acre). From Lanchow, a 1,636-kilometer railway will be constructed to connect with Hami, in the eastern part of Sinkiang Province. From the same terminus (Lanchow), another 250-kilometer line will be constructed to link up with Hsining capital city of Chinghai Province. From Hsining, another 800-kilometer line will be built to Yushu (in Chinghai Province) with a projected line to reach Lhasa, capital city of Tibet, in the future.

These lines will reach many frontier areas in the Northwest and West. Competent observers admit that for the time being these lines may not be of great economic importance, and may not pay any dividends. Nevertheless, they agree with the framers of the plan in insisting that there is still great value in their construction.

The Southwest Railway System includes the construction of railways in the provinces of Szechuen, Kweichow, Yunnan and Kwangsi. The exploitation of mineral resources on the Szechuen-Kweichow border which is known for its rich mercury, iron and coal reserves must have prompted and guided the framers in constructing railways in this region.

The Southeast Railway System includes the construction of railways in the Provinces of Chekiang, Kiangsi, Fukien and the eastern part of Kwangtung. These lines will greatly augment the usefulness of the four famous rivers in Southeast China—the Kung River (Kiangsi Province), the Min River (Fukien Province), the Pearl River (Kwangtung Province) and the Chientang River (Chekiang Province)—to navigation and commerce. Many important cities such as Hsiehhsien (Anhwei Province), Kweichi (Kiangsi Province), Nanping (Fukien Province), Changping (Fukien Province), Meihsien (Kwangtung Province), Canton, Foochow and Amoy will all be linked up. The construction of these lines will greatly accelerate the economic development of Southeast China.

Railway For Jehol

Under this plan, one railway will be constructed in Jehol. The Chengteh (capital of Jehol Province)—Tungliao (Liaopei Province, Northeast Line) through Chihfeng (Jehol Province) will open a direct communication route between the interior of Jehol Province and the other Northeastern provinces. This line will be apparently constructed as a substitute of the present sea route from the interior to Northeast China.

Northwestern Railway

Although no further details of this plan other than what has been described above have been given, there is no doubt that the construction of a northwestern railway traversing many of the northwestern provinces, such as Shensi, Kansu, Ninghsia, Chinghai and Sinkiang, which has so often been suggested by Chinese economists and engineers in the past, is now gaining the attention of the Chinese authorities. It is most gratifying to learn that under the present plan, the Lanchow-Paotou Line and the Lanchow-Hami Line will be laid.

We hope that in the *second* Five-Year Railway Construction Plan, the Lanchow-Hami Line will be speedily extended to Tihwa, capital of Sinkiang Province, and thence westward

to connect with the Turksib Railway. The whole line which may well be called China's "Great Northwestern Railway," traversing horizontally the Asiatic mainland from east to west, will undoubtedly go down in the annals of railway construction as another "Trans-Continental Railway"—and in this case as the "Trans-Asiatic Continental Railway." When through traffic to the Turksib Railway is open, it will be possible for travelers to reach Europe from East Asia by land across China.

There are a good many reasons that demand an early construction of this railway in the Northwest. Like the Southwest, the Northwest has a great future. Many centers of China's heavy and armaments industries are bound to be located in this region. New plants have already been built in this hinterland. The time will soon come when the transportation of heavy machinery and equipment imported from abroad will present a serious problem. Moving such bulky machinery and equipment by highways will be costly and slow. A railway will provide the answer to this need.

With a railway in operation in the Northwest, freight could be loaded at Odessa, the Soviet port on the Black Sea, moved to Alma Ata on the Turksib Railway, and thence to Tihwa, Lanchow, and other parts of China. Experts inform us that the cost of transportation, if that route were used, would be only one-third of the cost of truck transportation over the highways in the Southwest and the Northwest.

Unlike the mountainous Southwest, the Northwest is a flat plain. This fact alone will greatly minimize the difficulties of railway construction. Chinese engineers point out that the efficiency of transportation by railway in the Northwest would be more than 20 times higher than by highway.

Access To Indian Coast

Secondly, in our opinion, China must quickly build more railways which will enable her to establish a direct access to the Indian coast so that in the event of a blockade by an enemy on the eastern coast, China would still have an access to the Indian coast as a means of direct communication and contact with the outside world. China has certainly learned one bitter lesson in this war. Without means of access to the Indian coast, and once blockaded by the enemy on the eastern coast, China is virtually fully cut off from the outside world except through the almost insurmountable "Hump."

The construction of the Chungking-Chengtu Railway, started and stopped many times, should be greatly expedited, and rushed to completion at the earliest possible date. This is because this railway is likely to serve as an important trunk line in the middle of the "Middle Kingdom" from which important extension lines could radiate in all directions.

From Chengtu, the Chungking-Chengtu Railway should be speedily extended northward to Paochi, an important industrial city in South Shensi. To the east, the Chungking-Chengtu-Paochi Railway will connect with the famous Lunghai Railway, reaching Haichow, a sea port in North Kiangsu, and to the west, the Paochi-Tienshui Line, reportedly already open to traffic at the end of 1945, should be extended to Lanchow.

Through the construction of the Yunnan-Burma, and parts of the Szechuen-Yunnan and the Szechuen-Kweichow railways during the war, the people in Southwest China can now reach the Indian coast. But from Ipin (or Suifu)—the eastern terminus of the Szechuen-Yunnan Railway—a branch line should be constructed to link with Neikiang, midway station on the Chungking-Chengtu Railway. Thus, when the Ipin-Neikiang and Chungking-Chengtu railways are completed, Chungking and Chengtu will be linked with Rangoon by railway.

But this also means that over the Burma-Yunnan-Szechuen-Chungking-Chengtu-Paochi-Lunghai-Great Northwestern Railway, travelers from the Indian coast can reach the Pacific in the East, and Europe in the West, all by land route across China.

These railways extending from coastal China through Chekiang, Kiangsi, Hunan and Kwangsi provinces should be continued from Liuchow (Kiangsi Province) to Kweiyang, capital of Kweichow Province. From Kweiyang, another branch line should be built, connecting with the Szechuen-Yunnan Railway at Hsuanwei, near the Yunnan-Kweichow-Szechuen border. This arrangement will virtually connect east and southeast China on the Pacific coast with southwest China near the Indian coast, traversing the hinterland of China, and reaching into the heart of Burma.

These railways, parts of which have already been completed, and parts still in the blueprint stage, when completed, will provide interior China with direct access to the Indian coast, not only from nearby Southwest, but from other eastern and southeastern parts of China as well.

Front Doors

Thirdly, it is a great pity to note that the Chinese authorities have almost abandoned after VJ-Day wartime efforts to develop the vast hinterland in the Southwest and the Northwest. This is a great blunder. Such efforts should be vigorously pursued. Construction of railways in the Southwest which was suspended or which still remains to be completed must be continued and rushed at the earliest possible date. Cities, such as Kunming, capital of Yunnan Province, in the Southwest, Tihwa, capital of Sinkiang Province, and Lanchow, capital city of Kansu Province, in the Northwest, must no longer be mistakenly regarded as China's "Back Doors" to be relegated to the background after the war is over. They are China's "Front Doors" today and they must be defended at all cost.

China must spare no efforts to develop these vast regions and build many prosperous, industrial and commercial centers there to decentralize the commerce and business which usually go to such coastal cities as Shanghai and Tientsin. China must develop her railway communications so as to provide a network connecting the interior with the coast, southwest China with the Pacific, and east China with the Indian coast—all by means of overland routes. China must build railways with the same speed and record with which she built the famous Yunnan-Burma Highway and the Hengyang-Kweilin Section of the Hunan-Kwangsi railway during the war.

Stop Civil War

Lastly, by studying briefly China's first "Five-Year Railway Construction Plan," we have gained one deep impression. Here is another "specific project" which will give employment to no less than 6,500,000 people out of China's 450,000,000, and which needs only what the American Export-Import Bank had already gladly earmarked for China (i.e. US$500,000,000). Our plan is ready. A foreign loan is also ready for us. What is required of us is a "Cease Fire." Let all patriotic citizens of the Republic of China make another determined effort to appeal to both the Nationalists and the Communists to stop fighting and embark on such work as the construction of "YVA" (Yangtse Valley Authority) and 14,331 kilometers of railways at once.

An investigation of KMT members' properties "as the first step in liquidating plutocratic capital," was advocated by the influential *Shih Chich Jih Pao* in Peiping. This paper said that T. V. Soong's contribution of CNC$500,000,000,000 in shares has not been matched by other rich officials. "There is a large accumulation of capital on the one hand and a large army of poor and helpless on the other. This would seem to be contrary to the principles advertized by the Kuomintang."

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Thirty Six-Year Old Republic Still In Throes Of War

Charles J. Canning

ON this memorable occasion of the anniversary of the "Double Tenth," it seems fitting and proper to make a brief survey of the outstanding political events of the past year and see what the outlook is for the year immediately ahead.

The most important political event of the past year that is most likely to have a far reaching bearing on China's internal politics for years to come was the complete breakdown of the long drawn out and fruitless peace negotiations between the Kuomintang and the Chinese Communists and resumption of a nation-wide "bandit suppression campaign" by the National Government. It is really distressing to see that Nanking, which did not abandon its protracted and costly anti-Communist campaign until the outbreak of the Sino-Japanese War in 1937, once again place the war weary and peace starved nation under a general mobilization order.

Immediately after the conclusion of war with Japan, fighting between the Government and the Communists forces flared up again. But politically, contact between Nanking and Yenan was maintained and the door to peace was not entirely closed. The inauguration of the highly controversial National Assembly in November of last year marked a complete and final break betweeen the Government and the Chinese Communists, ushering in a total split.

NA No Solution

It was argued at the time that the only possible solution to the China problem lay in an early convocation of the often postponed National Assembly. Some naive people went so far as to contend, that everything would turn out all right once the National Assembly adopted a new constitution. However, I thought otherwise. My belief was that unless the fighting between the Government and the Reds was stopped at once the adoption and promulgation of a constitution would help little. In an article published in the *Review* of November 30, 1946, I pointed out:

"That adoption of a constitution is a vital step towards strengthening the foundation of the State and inaugurating constitutional democracy admits of no room for argument. This sounds all right in theory. But how will it work out in relation to the existing situation in China, which is in immediate danger of being torn and devastated by a nation wide, full dress Civil War?

"As far as the common people are concerned, the most pressing problem confronting China today is how to stop this internecine strife, which, if allowed to develop for any length of time, would undoubtedly undermine the very existence of the Chinese nation and produce grave international complications. China's internal fighting must be stopped and that the sooner the better, if collapse of the national economy in the near future is to be averted and if the Chinese people are to be spared untold suffering and privations.

"The opening of the National Assembly has destroyed whatever faint hope remained that the peace negotiations would drag on for some time and an open rupture might be avoided. The door to future peace talks is closed. . . ."

Situation Graver

Subsequent developments in the situation proved me right. It is now more than nine months since the

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new constitution was formally promulgated and yet the China problem still remains unsolved as before, or even more complicated than ever before.

Having failed in his mission to patch up the deep rooted differences between China's two major political parties, General George C. Marshall, United States presidential trouble shooter, left China in the first week of January of this year to take up his new duties as Secretary of State. In a public statement on the situation in China, the American mediator blamed the extremists in both the Kuomintang and the Chinese Communist Party for defeating his efforts to settle the inter-party strife in China and set up a coalition government, and stressed that China's future hope lay in the liberal elements.

What General Marshall was driving at was quite obvious. As a footnote to the general's statement, the *New York Times* wrote in an editorial:

"In China, as elsewhere in the world, the United States must stand for democracy and not try to build frail dikes against Communism with worn and useless feudal bricks.

"That cannot be reached by a mere mechancial coalition of extremists, as was envisaged in General Marshall's mission. This can only be arrived at by the accession to power of liberal and middle-of-the-road elements of all factions, which as General Marshall emphasizes, must come in China under the leadership of President Chiang Kai-shek and on the basis of the democratic constitution recently adopted. . . . The United States, whose interest and future are so deeply involved in the struggle, has only one choice and that is to support the constitutional elements in China, which means Chiang Kai-shek and the liberals who made the constitution possible."

Govt. Reorganized

General Marshall's tip and advice were not lost on Nanking. As a result, the National Government and the Executive Yuan were reorganized in April by including several representatives from the Young China Party and the Democratic Socialist Party. Extremists (Communists and Democratic Leaguers) were excluded. General Chang Chun, President of the Executive Yuan, has long been considered by Americans as a liberal middle-of-the-roader.

Commenting on this reshuffle in the Chinese Government, the *Washington Star* had something interesting to say:

"In Chinese politics, there is apt to be a difference between form and reality. Therefore, the establishment of a coalition government should be taken with some reservation. . . . The most hopeful aspect of the new departure is the appointment of General Chang Chun as head of the Executive Yuan, a post corresponding to that of prime minister in parliamentary regimes. Chang has a good record of progressive liberalism. He worked with General Marshall in the latter's efforts last year to bring peace and stability to China. Indeed, Chang is believed to be one of those genuine liberals whom General Marshall stated to be China's best hope. . . . In official circles there is no denial that this governmental change was largely motivated by a desire on the part of Chiang and his colleagues to make a favorable impression upon the American Government and people."

Premier Not Free

But from the very beginning of its existence, the "cabinet" of General Chang Chun was ill starred. For one thing, Premier Chang, in spite of his record of progressive liberalism, is not free to act as he thinks best. For all the nice talk about "independent responsibility of the Executive Yuan," things just remain what they used to be. The new premier has to take orders, just as his predecessor T. V. Soong had to do as he was told and take the blame, if any.

Immediately after its reorganization, the new Government was given an acid test. The outbreak of serious price upheavals, strikes of workers for unfreezing of the cost of living index, rice riots and student demonstrations and strikes throughout the country against starvation and Civil War created considerable confusion and nervousness. The peo-

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ple waited anxiously to see what the new Government would do about the rapidly deteriorating situation. The handling of these disturbances reflected no credit on the government. Rice riots and student strikes and demonstrations were suppressed with brute force, to the bitter disappointment and disgust of all well wishers and supporters of the new Government.

In other words, General Chang Chun's cabinet failed to stand the acid test and fell short of public expectations. Typical of many, the *New York Herald Tribune* stated in an editorial:

"It is difficult to accept the idea that wholesale arrests were justified. Only a few of those caught in the riots could have been Communists or Communist sympathizers. In addition, the Government's use of thugs and secret police in its attempt to halt criticism is extremely disturbing. It is distressing to see the present Cabinet ignoring all fine words said about civil liberties in the past and forgetting the bill of rights in the new constitution. There also is no reason to suppose that repression of criticism of the Government will contribute anything toward peace and stability in China, except for a fleeting moment. The demonstrations of students and the articles written by newspapermen reflect a deep discontent of the Chinese people. The discontent will not be cured by violence. As long as its causes exist, it will find expression in one form or another—no matter how many men are rotting in filthy jails. As long as its causes remain, too, the Reds will take advantage of them to stir up troubles. If the Chinese Government devoted half as much effort to reform as it does to fighting the Communists, there might be fewer Reds to fight."

Old Way Out

In view of the ever deteriorating situation on the home front, the Government was convinced that a way out must be found. After doing a lot of hard thinking and deliberation it did find a way out in the old formula of bandit suppression. In June, the Government ordered a nation wide general mobilization of all manpower and material resources to speed up the suppression of the Communists. Thus, the sporadic fighting between the Government and the Chinese Communists became a formal affair. Once again, the Chinese people were made to suffer the horrors of war.

That things should finally have come to such a pass occasioned no surprise among competent observers. On the contrary, it was just "I told you so." The present writer had served notice in an article published in the *Review* of November 16, 1946. To quote:

". . . A large body of opinion held that after all it will be on the battlefield, and not at the conference table that a solution for the China problem will be worked out. Under such circumstances, it is small wonder that the peace talks should have become empty talks, serving the purpose of playing for time. A high ranking military leader was reported to have told a peace negotiator, off the record, of course: "You gentlemen cry peace, but there is no peace. China cannot hope to enjoy internal peace and stability until the Reds have been beaten to their knees. You may talk as much as you like and say whatever you please, and we'll have our own way all the same."

Lack Mutual Faith

The Chinese Communists had no more faith in the Government than had the government in them. It is an open secret that both were highly suspicious of each other and their deep seated suspicion and hostility has cost China dear.

Now that the National Government has committed itself to a war to the bitter end with the Communists, everything hinges upon the outcome of this war. In the opinion of Dr. Sun Fo, vice-president of the National Government, with the issuing of the general mobilization order there will be no turning back for the Kuomintang. Either the Kuomintang wipes out the Chinese Communists or the latter overthrow the Kuomintang, Dr. Sun emphasized, pointing out that there can be no other alternative.

The National Government in a memorandum addressed on August 16 to General Albert C. Wedemeyer, United States presidential fact finding envoy to China, stressed that no half measures will be considered in the suppression of the Communists. On this point the memorandum stated: "The Communists as an armed political party must be suppressed. The Government recognizes that the success or failure of this fight against the Communist peril will decide not only its own fate, but also the life and death of China as a sovereign power. It is bound up with the peace and security of the whole Far East. There will be no half measures in this fight."

Reds Also Determined

The Chinese Communists, on their part, were fully resolved to take up the challenge and square up to the Kuomintang which is being supported by the Democratic Socialist Party and the Young China Party. Recent developments in the military situation seem to indicate that the Communists are gradually seizing the initiative in fighting. More bloody battles are expected in the immediate future.

Under such circumstances, it is highly interesting to see how the overwhelming majority of the people are feeling about it. Even a casual observer on the scene will not fail to note the painful disillusionment and bitterness of the common people. Things are getting worse and worse and life has been made not only more miserable but also wellnigh impossible for an ever increasing number of people. As the result of runaway inflation and consequent disturbing fluctuations in commodity prices, the cost of living multiplies each month. Many people are living from hand to mouth and their plans for the future are on a 24 hour basis. For a long time there has been a vague feeling around that things in this country are rapidly approaching a climax. It is generally agreed that the existing stage of things can't last for any length of time and that some change will have to come sooner or later.

Wedemeyer Statement

General Wedemeyer in his farewell message deplored the wide spread "apathy and lethargy" he found in China today. Said he: "Instead of seeking solutions to the problems presented, considerable time and effort are spent in blaming outside influence or in seeking outside assistance. It is discouraging to note the abject defeatism of many Chinese who are competent and normally patriotic, and who should be full of hope and determination."

The vast majority of the people are simply fed up with things as they are. Their apathy and lethargy and abject defeatism indicate their disgust for the status quo and their uneasiness about the future. Sufficient unto the day is the evil thereof, they seemed to believe. This kind of philosophical resignation gives rise to "apathy" and "lethargy" and "defeatism."

However, apathy and lethargy and defeatism represent only the negative side of the picture. There is a positive side to it. In a public statement issued last May, 586 professors and staff members of leading universities and colleges in Peiping pointed out:

"During recent weeks, commodity prices have increased by leaps and bounds and popular excitement has mounted high. Disturbances have been continuous throughout the country. Rice riots have broken out, while workers, students and even professors have gone on strike in different places. Disaster appears imminent if there is no drastic change in the situation.... The situation is no less critical than that in France on the eve of the French Revolution, or that in Russia just preceding the October Revolution."

More Trouble Due

A prevailing impression is that with dark heavy clouds rapidly gathering over China the outbreak of serious trouble is momentarily expected.

Having endured hardships and dangers and suffered untold privations in their efforts to expel the Japanese invader, the Chinese people, war weary, care worn and back bent, are in dire need of peace so that they may get some rest. The reason is quite obvious. For the people, continuation of fighting, no matter under whatever slogans, means prolongation of their hardships and suffering or even death. And no one is so foolish as to prefer further suffering and privations if he can help it. This overwhelming desire for peace is the most significant aspect of public sentiment in China. Even General Wedemeyer was tremendously im-

pressed by it. The general had the following to say in his farewell statement:

"Varied as were the views of many, there has been one point on which all hearts and minds in China unite. Throughout strife torn China there is a passionate longing for peace, an early peace and a lasting peace."

Politics Popular

Another remarkable feature is that the people are getting more and more politically minded. Because of the direct effect the war has produced on the daily life of the people, every Tom, Dick and Harry has been forced to do some hard thinking about the whys and the wherefores. True, the majority of the Chinese people don't bother much about politics, still less playing politics. But as things stand nowadays, the common people are feeling more keenly the bearing of politics on their every day life. This has made them politically minded. The plain and honest country jacks don't know much about political doctrines or isms but they do know quite a lot about their life. And the judgment they pass on political doctrines and propaganda is based on the practical experience of their life.

All these factors as enumerated in the preceding paragraphs are of tremendous importance. They will play a vital part in determining the future course of events in China.

Then, what is the outlook for the future?

In this rapidly changing world of ours, it is unsafe or even dangerous to make predictions. But an unbiased and objective analysis of the whole situation will not fail to note certain unmistakable signs indicative of which way the wind in this country is blowing. Barring unforeseen circumstances, the present fighting between the Kuomintang and the Chinese Communists is most likely to drag on for a year or two before it is fully accepted that "military force in itself will not eliminate Communism," as General Wedemeyer warned in his farewell message and that the China problem can be solved only through political channels.

More Destruction

During the next year or two, fighting will become more bitter and more destructive and life will be made much more difficult for the people. Both sides are determined to strike with all their might in order to knock out the enemy and bring the fighting to an end. Meanwhile, social discontent and unrest are sure to grow and serious troubles will probably occur unless prompt and drastic political and economic reforms are instituted.

Ever Widening Gap

The coming year also will witness a continual widening of the social gap between the "haves" and the "have nots". Politically, the intensification of the struggle between the Kuomintang and the Chinese Communists will make times more and more difficult if not altogether impossible for the non-partisan liberals. The political lineup in this country will become more clarified following the internal struggle in certain factions and parties.

A review of the outstanding political events of the past year makes unpleasant, or even discouraging reading, the more so on the anniversary of the founding of the Chinese Republic. Thirty-six years have rolled by since a republican form of government was established in this country. Approximately three-quarters of these years were spent in war of one type or another. Of course, it was the Chinese people who had to foot up the bill and suffer for it.

It is hoped that the present fighting will come to an end as early as possible.

Tong War May Break Out In New York

EDWARD ROHRBOUGH

New York, Sept. 21.

IF things haven't been patched up by then, it is entirely possible that by the Double Tenth the United States will see a revival of that ancient favorite of the Hearst newspapers and the silent screen, the tong war. For the first time in 15 years the hatchet men are being alerted for large scale action and, appropriately enough, the whole trouble has its roots in the Civil War and the disturbed political situation of China.

The issue, a customary one in tong wars, is money, but politics gets into the story. Dissension in the well-known On Leong Tong began after Mei Yiu-cho, powerful leader of the Kuomintang faction of the tong, returned from a trip to China last year and proposed that the tong invest US$1,000,000 in a bus line in Canton to be owned half by the tong and half by the Chinese Government. Immediately there was opposition from the anti-Kuomintang faction of the tong and this fall the opposition became articulate.

Mei Charged

Mei is a member of the Kuomintang Central Committee and the opposition voiced the opinion that he had made some deal in Canton to steal the million with the connivance of Kwangtung officials. Formally, the resolution adopted by the opposition contained four points:

1. There is Civil War in China and no investment can be safe.
2. The present Chinese Government is corrupt and cannot provide favorable conditions for any investment.
3. General Lo Cho-ying, Governor of Kwangtung (Now replaced by T. V. Soong) who had been proposed as a prospective partner in the venture, is neither desirable nor trustworthy in such a capacity.
4. An open charge that Mei had cooked up the whole scheme as a device for enriching himself at the expense of the tong.

Immediately after the resolution had been issued and circulated, the real excitement began. Mei reportedly issued orders to his hatchet men to eliminate some of the opposition, but for the first time they refused. For the first time, also, rank-and-file members of the Kuomintang faction began to express satisfaction with the opposition's resolution and various chapters of the tong in several cities refused to contribute money to the project.

"We have the money," wrote the Washington, D.C. chapter, "but if you want it, you'll have to come and take it."

This month there was a hint of impending violence but not from the hatchet men of the Kuomintang faction. A Chinese was arrested in New York's Chinatown carrying a pistol and there were rumors to the effect that he was out to kill Mei, the leader of the Kuomintang faction. Mott and Pell Streets teemed with the stalwarts of "New York's finest," the police force, for the following week, and it is possible that the display of bluecoats induced the faction leaders to review their tactics.

Politics Involved

There the matter rests at this writing, but the significance of the present tension lies in events that preceded the "Matter of the Million Dollars," by a number of years and involved various interesting personalities and, of course, politics.

The On Leong, like other tongs, was traditionally anti-Kuomintang and no one was more thoroughly opposed to Chiang Kai-shek than Seto Mee-tong, the founder and official head of the tong for the past 30 years. During the 1930's, when Chiang pursued a policy of pacification toward the Japanese, Seto became even more violently anti-Chiang, for he was intensely patriotic, and he gave all the assistance he could to Chinese groups who resisted the invasions of Hirohito. When Tsai Ting-kai, the "Hero of Shanghai," came to the United

States, Seto welcomed him with gusto.

It is clear that Seto opposed Chiang because he felt the national energies should be devoted to fighting Japan, and when the Generalissimo declared war against the invader, Seto immediately changed his stand and became just as violently pro-Chiang and pro-Kuomintang.

Seto Invited

Leaders of the Kuomintang Party, who had long viewed with alarm the independent power of the tongs, saw their chance to gain strength in the On Leong which had become one of the two most powerful in the U.S. Seto was courted and dined and finally offered a counsellorship in the Chungking Executive Yuan and requested to go to China to assume his office and his duties. In 1943 the old man obeyed the summons, happy to feel that he could become a part of the struggle he felt so deeply.

With Seto out of the way, the Kuomintang leaders in the U.S. sought a successor whose allegiance to their party would be stronger than his feeling for the tong. Mei Yincho was the man who filled the spot.

Mei was an entirely new type of leader. Seto had operated with free handed, good humored generosity, and he had embodied something of the swashbuckling Robin Hood character that made the illegality of some tong enterprises seem romantic and dashing. He was a leader with a strong sense of human values and also an active sense of humor.

Mei, on the other hand, became known as a cold, ambitious individual. Nevertheless, he rose rapidly to power in the tong after Seto's departure, partly because of the backing of pro-Kuomintang elements, it is said, and partly through money he began to acquire allegedly through an extensive chain of gambling houses in the United States. It is said by his enemies that Mei's original friend in the gambling houses was a Chicago Chinese woman who thought she saw in him the qualities of a successful business man.

If that story is true, the woman is probably watching events of the moment with considerable anxiety, for Mei's rise or fall will probably be determined by his success at collecting the US$1,000,000 to invest in the bus company. Police and various other interested parties are wondering whether or not he will attempt to perform the collections Chicago style, for Mei is a Chicago man and the New York hatchet men seem to have even less respect for his orders than they do for those of the Kuomintang.

Vicissitudes Of War Ravaged Honan

DUNCAN C. LEE

(Special Correspondent, The China Weekly Review)

Kaifeng, Sept. 23.

A review of events in Kaifeng and environs, and Honan in general, since the last Double Tenth presents a picture of indescribable sufferings and sorrow. In the last 12 months we have seen more destruction than construction. Commodity prices have soared higher and higher and the 300,000 people in this city have been finding it harder and harder to maintain even the most meagre standard of living.

Moreover, as the Civil War has been frequently maneuvered into this region we see the Government controlled areas becoming smaller and the number of refugees from war ravaged and flooded areas increasing. The tax in kind and those revenues formerly shared by the entire population now must be borne by those remaining individuals who have not yet been affected by war operations.

C/UNRRA Active

The only good news appearing from time to time in local newspapers is of the activities of the two relief organizations: CNRRA and UNRRA, which have helped close the 1,460 meter gap of the Yellow River not far to the northeast of Kaifeng. They have rendered immeasurable service to the Yellow River flooded areas and supplied millions of tons of food and clothing to the needy refugees. Billions of CNC has been spent and the costly labor of Chinese and foreigners has been pooled in order to get the rehabilitation program working.

In the latter part of last year and early this year the Kaifeng populace was greatly concerned over the Communist-Nationalist fighting to the east of this city, along the Lunghai Railroad. This line is the main link between Kaifeng and the outer world, and was being continually disrupted every time fighting broke out, and since January the fighting seems to have been continuous.

It is interesting to note that the battles in Honan this year have always been in the vicinity of railroads. The big battles in the Minchuan, Lanfeng, Shangkiu area last February; those at Wenhsien, Chihsien, Tangyin and Anyang in northern Honan in April and May; the present hostilities west of Loyang and south of Yencheng and the incessant dynamiting of railroad bridges by the Communists, all indicate the value to the Communists, despite their skill at guerrilla warfare, of railroad communications over any other means of transportation. They seem to consider that if the three railroads—Lunghai, Pinhan and Taoching—could be utterly destroyed their victory in this province would be assured.

The railroad authorities in Kaifeng, however, work desperately to restore the line, and as soon as the Communists are repulsed special repairing corps are dispatched to speedily repair the damage. It is because of these heroic efforts that President Chiang recently lauded the railroad workers.

Wheat Dumped

The Civil War has stimulated price increases throughout the country, but so far it has had a far more acute effect in the vicinity of Kaifeng where major or minor battles are continually being fought. We experienced some shocking price jumping in February and May and some rather insignificant price gains later. But due to the recent dumping of wheat by the farmers in the neighborhood foodstuff prices remained almost unchanged in the last two months—CNC$21,000 per tou (14 catties) as compared with CNC$3,200 last October.

Honan has also had its share of natural calamities. In addition to the disasters and damages caused when the Yellow River formed the so-called Flooded Area, 19 districts were severely damaged by hail, 13 by drought, 13 by flood, five by storms and 15,000 square li of land by locusts. CNRRA and the Social Bureau have since done a great deal towards relieving the affected farmers and have solicitated large sums of money to improve conditions in these districts.

LASHING THE HORSE

失名作 (轉載再生週刊第一七九期)

Ts'ai Sheng Weekly

Corruption and official malpractices during the period under review have been legion in number, the most important of which involved the following:

1). Koo Ying, magistrate of Shangchenghsien, who may be sentenced to eight death penalites, four life imprisonment sentences, and four long term sentences.

2.) Wang Ho-pu, Executuve Commissioner of the Tenth Political Zone, who according to reports illegally arrested many people, buried one councillor alive, killed 30 innocent civilians and persecuted another 500, and set free collaborators on payment of CNC$10,000,000.

3.) Tien Meng-chia, Director of the Provincial Cooperative, Shih Kuo-fan, Chief of the Health Bureau and Li Hung-yin, Chief of the Social Bureau, all of whom were charged with misappropriation of public funds and materials.

4.) Chow Chin-tang, one of Honan's wealthiest merchants, whose fortune is said to be CNC$100,000,000, was arrested and charged with being an opium smoker and trader.

Most of these cases have not yet been settled despite frequent protests from quarters concerned. It is outrageous that the city government should still appoint criminals to important political and military positions. One such is Chao Tze-chen, Executive Commissioner of the Third Political Zone, allegedly guilty of numerous malpractices when he was in charge of taking over after the Japanese surrender. There are many similar incidents which sound quite strange in a so-called democratic government, and although Governor Liu has ordered the magistrates to keep a constant check on corruption and mete out severe punishment to those found guilty, there is no improvement.

Although there is money to be made in conscription, it is still a great headache to the city and hsien governments. At present an able bodied young man can be bought as a recruit for a few million CNC$. The conscription quota for Honan this year is 72,000 as compared with the 102,000 required last year, but it is still alleged to be higher than any other province in China by a population and area ratio. The tax in kind for this season amounts to 1,600,000 piculs, to be levied in cereals only.

Due to the incessant fighting and poor communications both tobacco and cotton, Honan's leading agricultural products, have been badly hit although subsidies of CNC$20,000,000,000 and CNC$25,000,000,000 respectively, were given by the Government.

Bureaucratic capital has been active of late, the most important indication being in Chengchow where the Agriculture Company is said to have compelled the common people to withdraw their stocks and shares in order to make room for the big shots' capital.

The refugee problem is causing great concern to the Social Bureau which has already spent billions of CNC$ and a vast amount of materials and effort in this connection. The Bureau has finally decided to distribute the refugees among the established households and make the latter temporarily responsible for their support. This decision has already been put into practice in Chengchow, Hsuchang and Yuhsien. But as the war continues in west and south Honan the refugee problem looms bigger and becomes more difficult to handle every day.

During the period under review general conditions in Kaifeng have been for the most part normal, except in the latter part of May and early June when professors and students of Honan University went on strike and 47 students, teachers and public functionaries were arrested, most of whom were later set free except for a few who were transferred to the local court. Robberies and murders were rampant a few months ago but the past few months have passed peacefully enough.

Although the past 12 months have been full of disheartening events, people here look forward hopefully to the future. There may be lots of corrupt officials, but on the other hand there are many hardworking officials and citizens who discharge their duties honestly and who want to see not only this city but the whole province improved.

The present fighting almost throughout the province gives much anxiety to the inhabitants of Kaifeng but those who are used to such series of events are prone to estimate that it will soon be all over and then peace will follow.

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(1)

(2)

(3)

(4)

Portrayals

MOH Ih-loong, cartoonist of the local *Fei Pao*, a prominent mosquito paper, taking a cue from Lee Chuen-feng and Yuan Tien-kang, Tang Dynasty predecessors of his, has compiled and published a so-called Hsin Twei Pei Too, or a new edition of their ancient masterpiece known as the Twei Pei Too, which aspired to interpret the past and present, and predict future events. Moh's drawings are partially caricatures of present day Shanghai life as it is affected by the inflation, and also a glimpse into possible forms of future existence in this city.

In drawing (1) is a munificent citizen who feels that the dignity of his social position, acquired through immense wealth, forces him to keep an extensive collection of ancient and precious scrolls, although he himself is hardly literate. (2) is self explanatory, in view of the tiny figure of the despondent lao pai hsing starving in the right hand corner. (7) is somewhat of a parable of the manner in which "small fish are devoured by the large fish," and how "the big hat oppresses the small man." There is an air of the rich man not being able to pass through a needle's eye in (7). Dealing with the immediate problems of the day, (6) depicts a couple bargaining with a pedicabbie over his fair, which they consider "exorbitant." (8) is one way to solve the living space dilemma—by hoisting the bed up to the ceiling. Those who do not have a crowded room and also feel that it is "too hot" to sleep inside, recline on the sidewalks as in (14).

(5)

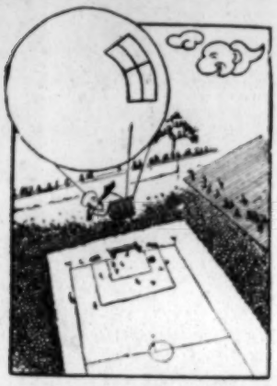
(6)

(7)

(8)

(9)

(10)



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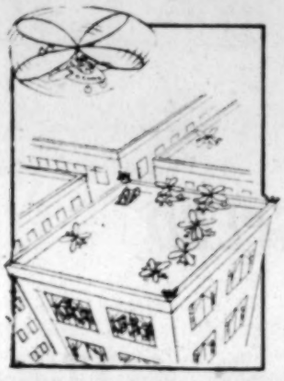

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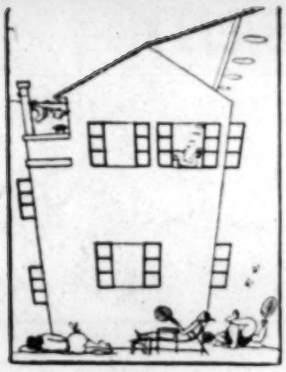


(14)

. . . And Predictions

When rice is too expensive and inaccessible, rice pills are the thing, as is evident from (3), while another way out is shown in (19) where a group have become followers of Gandhi.

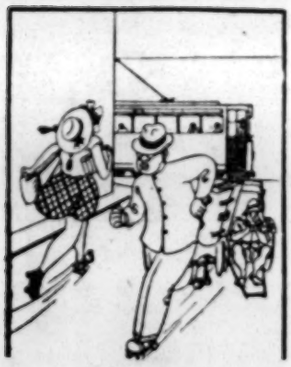
Also vitally connected with the Cost Of Living index are (13)—suits of the latest cut for rent at moderate cost; (16) how to get along without a streetcar, when fares are hiked. Of some immediate interest in view of the recently announced power restrictions is the idea of generating power through the use of your own heat (9).

The inflation problem is capped by (20) where a short sighted teacher is shown explaining a new brand of arithmetic to his pupils, where one eventually equals zero.

The traffic problem is adequately handled by the artist in (4) and (15), the latter showing just how sharp the radiator of a car must be to enable it to pass between two people walking down the middle of the road, while (12) suggests that every citizen have a plane of his own so as not to crowd the city's streets. The general congestion, on the other hand, could be easily solved with building houses on balloons (17) and sprinkling the city from planes to improve sanitation in the hot season (18).

The old Chinese trade of writing letters for the illiterate for a small fee should be extended to include the composition of love letters for the lovelorn. Transparent plastic raincoats should be fashioned after the manner shown in (5), while to see the visiting Hongkong footballers one should take the advantage of the aerostat (11).

(15)



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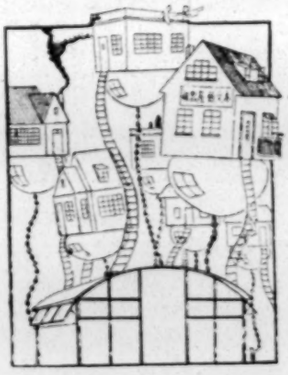

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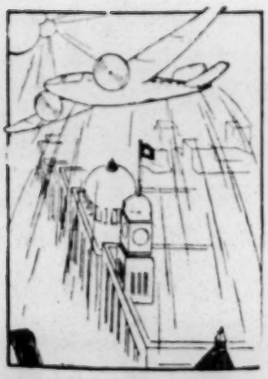

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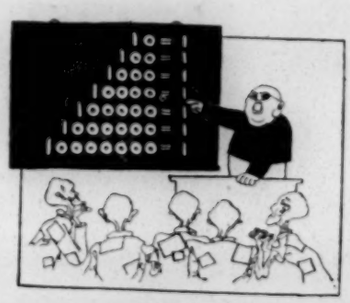

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AMERICA: THE UNEASY VICTOR

A Study Of The Truman Doctrine And Its Opponents

PHILIP JAFFE

(Reprinted from AMERASIA—Last Instalment)

Whither America?

THE record of the past two years indicates that the Truman Doctrine has not advanced American interests even within its own limited horizon, primarily because it is in opposition to the minimum aspirations of the peoples of the world. Insofar as the American economy is concerned, it has been only an artificial aid, and even so within narrow limits. Recently a banker, sometimes called the number one banker of the United States, declared in private that the American economy would have to find ways of throwing into the waste basket some US$20,000,000,000 a year, if it was not to go on the rocks. This is precisely what the Truman Doctrine has achieved. It has thrown billions into the waste basket—not as many billions as the banker proposed, but into the waste basket nevertheless.

Temporarily, such a program has helped to keep the American economy from a rapid decline. But as a long term solution for the United States, the Truman Doctrine is proving hopelessly inadequate. Already, the shortsighted American Century program is causing bewilderment in important business circles. The manufactures and shippers naturally favor a program that will provide them with markets, and therefore insist that American loans abroad should be spent in the United States, and that all merchandise purchased with these funds should be shipped overseas solely in American vessels. The financial groups, on the other hand, are disturbed by such a program for two reasons: First, that a policy of government lending prevents them from collecting the interest rates of prewar days when private lending was the rule; and, second, that the conditions stipulated by the trading interests make it difficult for foreign borrowers to earn dollar exchange. As the *New York Times* put it (June 22, 1947), such requirements deprive "the borrower of opportunity to earn, with his own shipping and insurance resources, foreign exchange with which to help pay off the loan."

Fundamentally, these difficulties flow from the basic purpose of the American loans, which, as *Barron's* (June 7, 1947) approvingly states, is "to give financial aid, more or less admitting our intent to purchase allies as insurance against a possible future showdown with Russia." So long as American aid is political in character, and so long as our loans are made to the would be guardians of the old Europe and the old Asia, and so long as the American government steadfastly refuses to trust the people of the world with their own future, just so long will the Truman Doctrine remain at best only a short term and unsatisfactory stopgap. Within its present narrow perspectives, it cannot achieve either its economic or its political objectives, nor can it avoid stirring up conflicts among various sections of American business and finance.

The economic shortcomings of the Truman Doctrine are becoming daily more apparent. But the cul-de-sac into which the Truman Doctrine is rapidly leading the United States has also produced important political consequences that have escaped the attention of many observers, notably the way it is playing into the hands of the Republican isolationists. In foreign affairs, at least, these isolationists have now taken the offensive. As recently as June 10, 1947, the *New York Herald Tribune* was complaining editorially that the appropriation bills for the Greek-Turkish loan and the US$350,000,000 relief fund for Europe and China had not been passed. "The President's signature on both is six weeks old," wailed the *Tribune*, "but legislative road blocks are now being thrown up to delay enactment of the appropriations...." Without in any degree approving the purposes of the Greek-Turkish loan, one can nevertheless note with alarm that the isolationists in Congress are doing all in their power to delay or prevent American funds from going overseas even for relief purposes. They are stubbornly determined to defeat what they choose to call an extension of the New Deal abroad. Their own solution for the problems of America and the world has already been described in this article and need not be repeated here.

Should the Republicans gain enough strength to win the elections in 1948, one faces the catastrophic prospect of a John Foster Dulles at the helm of American foreign policy, and the elevation of the worst enemies of Roosevelt and the New Deal to dominant positions in the Administration and in Congress. With such a regime in the saddle, it would be extremely difficult, if not impossible, to carry on the fight for a democratic foreign policy because these men would be willing to subvert the Constitution, set up a garrison state, and blot out all opposition in the pursuance of their narrow economic interests. In the end, they would bring America to the brink of World War III. Their defeat in 1948 must be secured at all costs.

Aggressive and blundering as the present Administration is in foreign affairs, it is at least committed to American participation in foreign affairs on a global scale. And this participation forces it, even against its will, to take world realities into consideration in the formulation of its policy, whereas the Republican isolationists and their more rabid allies are responsive only to their own selfish economic interests and their own bigotry. If a narrowly conceived campaign against the Truman Doctrine should assist the victory of reaction in 1948, one result would be the destruction of a pattern of internationalism within which the struggle for a Rooseveltian foreign policy can be carried on. On the other hand, the defeat of these reactionaries and their removal from positions where they wield power and influence over government policy would measurably widen the opportunities to carry on the campaign for a democratic, internationally minded United States.

If the defeat of these reactionary political groups is to be secured, however, it will have to be accomplished by an intensive struggle to redirect American foreign policy into constructive channels, and not by tactics that give sustenance to the isolationists. It may be illuminating in this connection to consider the current political situation in Great Britain. There, Bevin with the support of the Labor Party is continuing Churchill's foreign policy faithfully and in some ways even more aggressively. But though Bevin's policy is the same as Churchill's, the Labor Party is not the same as the Tory Party. The big problem facing the British people, therefore, is how to defeat Bevin's policy without at the same time bringing the Tory Party back to power.

In the United States during the Roosevelt era, the Democratic Party, on the basis of its alliance with labor, played a role analogous to that of the Labor party in Britain. To attack the Democratic Party today in a way that would enable the Republican Tories to regain power is not in the interest of the American people. The Democratic Party must be made to see that it can hope to survive only if it returns to the Roosevelt tradition and becomes once more responsive to the wishes and needs of the electorate. Already there are signs that to a certain degree the present leadership of the Democratic Party is responsive, particularly on local levels, to public opinion. This being the case, it would seem to follow that the American people must mobilize support for a constructive alternative to both the Truman Doctrine and the

isolationist philosophy. This would require the development of the widest possible coalition of forces that seek to apply the foreign and domestic policies of the Roosevelt era to the present situation.

Such a coalition would, of necessity, have as its immediate aim the reconversion of the Democratic Party to the course laid down by its late leader, through the retirement from office of legislators that have betrayed or repudiated the Roosevelt program, and through the election of representatives that can be counted on to support a progressive foreign and domestic policy. In the Southern and Southwestern states particularly, the only hope for the victory of progressive candidates lies in the capture of the Democratic nomination in the primaries, or where such an attempt fails, in the running of independent Democratic candidates against machine candidates. The premature formation of a third party ticket would only secure the election of traditional polltax Congressmen and Senators.

Perhaps the most essential condition for the development of the coalition described above is the forging of unity among the three great labor organizations, the CIO, the AFL, and the Railroad Brotherhoods. The pressure for such unity has increased notably during the past year, and has recently been given added impetus by the passage of the Taft-Hartley Bill. Unfortunately, the discussions that have taken place between top leaders of the CIO and AFL, though paving the way for a further exploration of the problem, have produced no concrete results.

There are some who contend that the formation of a third party would promote a coalition of popular forces including all sections of organized labor. It seems far more likely, however, that the launching of a third party movement that at present lacks the support of any national labor organization, would only serve to split the labor movement at the very time that sentiment for unity is gathering momentum. Only after labor unity is achieved can a third party serve a practical purpose. For without the unanimous support of organized labor, no third party can be anything more than an adventure in martyrdom. At present, the drift toward labor unity, whether it be organic or programmatic unity, is the most hopeful sign on the horizon; it is a drift that needs to become a wave. To dissipate that drift into a number of cross currents and eddies would needlessly impede the formation of a united front against anti-labor legislation and reactionary trends in foreign policy. The value of a third party must be judged strictly according to the immediate results that its formation would achieve. It is purely a matter of tactics, and not one of principle. In other words, the organization of a third party can be justified only if it is demonstrated that such a party will unite the progressive forces in the country more than it will divide them, and will strengthen rather than weaken their ability to influence national policy.

Furthermore, unity in the labor movement would facilitate the consolidation of all forces left of center that are now separated by this or that ideological barrier. The mutual witch hunting that has characterized the numerous left of center groups has had the effect, first, of confusing the American people and making them a prey to apathy and fear, and, second, of obscuring the indisputable fact that these groups have common answers to a host of the fundamental questions that face America and the world.

If such a broad unity can be achieved, then the Republicans can be defeated and the way will be cleared for a deepening of the fight for a democratic domestic and foreign policy. Only a decisive defeat for the Republicans can open up this perspective. For even if they gain only a partial victory, they may have sufficient power to force the Democratic Party to accept a compromise. In this event, there arises the possibility that in 1948 Americans will find themselves governed by a combination of American Centurions and isolationists, such as was represented by American Action Inc., during the 1946 elections. This would constitute an unholy alliance between the banker who would throw money into the waste basket, and the isolationist who would turn the economic clock back to the 1920's.

The program that could most easily result from this alliance would obviously be semi-militarist in character. All over the world, "white armies" would be equipped and financed, while at home monopolistic enterprises would go their anarchic way unhampered by government regulation. The political strategy of such a foreign program would suit the most uncompromising American Centurions, while the isolationists would grudgingly approve expenditures for this venture, if only because it would help for a while to keep the American economy in equilibrium. But not one cent would they vote for foreign rehabilitation, relief, or for the restoration of broken down economies, no matter what "doctrine" might be proclaimed. Such a program would enable the United States to disgorge only a part of its indigestible surplus, and would therefore be the merest stopgap. Any deepening of the economic crisis would inevitably involve an intensification of a militarized foreign and domestic program. Already Bernard Baruch has sounded the keynote of such a program, when, speaking at the Industrial College of the Armed Forces (June 26, 1947) he urged the United States to put on the statute books a total war mobilization plan to be used in the event of crisis.

One need not labor the point that such an eventuality would be catastrophic, and could easily lead to war with the Soviet Union and the rest of the world. In such a war, it is probable that the war party of the United States would have very few if any allies. Not even conservative circles in Great Britain could be counted on to lend their support, for as the *London Economist* (March 22, 1947) observed apropos of the Truman Doctrine, "A tough line clearly aimed at agreement with the Russians, and prepared, when the time comes, to meet them half way, is something we can support; a tough line, seeking to humiliate the Russians and destroy their society, in a fight in which we take the first blow, is, for any British government, a policy of despair."

That it is a policy of despair not only for Britain is made amply clear by the dramatic editorials in the Vatican journal *L'Osservatore Romano* mentioned and quoted above. For some 2,000 years, the Vatican has been a master at adjusting itself to differing forms of political and economic development, once it was convinced that they were there to stay. It is this experienced and realistic view of the world that has brought the Catholic hierarchy to the realization that the Soviet Union is indestructible. For this reason, the Vatican is now urging all nations to adjust themselves peacefully to the world as it is. If the Vatican, considered by many to be the arch enemy of the Soviet Union and radical movements everywhere, finds the prospect of a war against the Soviet Union under the name of anti-communism "morally unacceptable and politically dangerous," it would appear that the sole advocates of such a war are to be found in the ranks of American reactionaries, who callously talk of saving Western civilization with atomic bombs.

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Against such a destructive prospect, the vision of the postwar world as seen by Roosevelt must be constantly stressed. The defeatism engendered by such men as Supreme Court Justice Jackson when they pronounce funeral orations over the concept of "one world" must be consistently rejected. For it is a fact that there are no insuperable obstacles to the implementation of the "one world" doctrine. Roosevelt recognized the fundamental fact that American world leadership would come to nought if the United States attempted unilaterally to turn back the clock of history and willfully opposed the vast forces of social change unleashed by the war. He saw that America's role could be creative and fruitful only if it was a democratic role that had as its aim the freeing of millions from colonial enslavement, economic dependence, poverty, and fear. He saw that there could be no American Century unless it evolved within a Century of the Common Man. As he told his son at Casablanca, "I'm talking about another war, Elliott. I'm talking about what will happen to our world, if after this war we allow millions of people to slide back into the same semi-slavery!" To prevent such a disaster, Roosevelt proposed the Four Freedoms: freedom of speech and expression, freedom of religion, freedom from want, and freedom from fear—not just for the American people, but for all the peoples of the world.

That vision must not be allowed to perish. The concrete methods by which America can take part in the liberation of the world from want and fear must be kept constantly before the public eye. For no matter how much one may believe that the Truman Doctrine is leading America into an economic and political wilderness, the isolationist alternative would be immeasurably worse. There exists on the left a defeatist view that a reversion to American isolationism would be the lesser of two evils, in that it would leave the people of Europe free to work out their own solutions for their problems of poverty and economic backwardness. That, however, is an extremely shortsighted view of world affairs. For though it is true that under such circumstances, the countries of Europe and Asia would be nominally free to work out their destinies undisturbed by the influence of American dollars and guns, in actual practice they would not. For, as we have seen, an isolationist America would tend increasingly to resort to a war economy to preserve its existence, and this would inevitably compel an already devastated and poverty stricken world to divert a large part of its meager resources from constructive projects to military preparedness.

These defeatists fail to recognize that the Truman Doctrine does not represent a fixed and unalterable policy, but is on the contrary a hasty improvisation based on a false interpretation of world events. As a matter of fact, American imperialism has no firm policy; it has only the unchanging aims of all advanced capitalist nations, namely the profitable export of goods and capital. The means to that end, i.e. policy, is still in the confused and experimental stage. It is in the interest not only of the American people but of all peoples, that American goods and capital should be exported. The point at issue is the conditions under which that export should be carried on, and not whether it should be carried on at all.

Moreover, it is not enough to say that the Truman Doctrine cannot succeed in the face of strong world opposition, and that it is merely winning for us the enmity of the world as a whole. The opposition to that doctrine must be of a positive character, and not one that accepts isolationism as a possible alternative. The American people are rightly proud of their democratic traditions, and one of the greatest of these traditions is that their government speaks for them and not to them. It is therefore up to us to see that American policy is redirected into creative channels, and that we do not surrender it by default to the engineers of disaster. A political leadership is already arising that understands that America needs the world as much as the world needs America. And if the American people unite behind the demand that the traditional promises of the American way of life be fulfilled, their political leaders will realize that they must choose between satisfying the needs and aspirations of a great people or awaiting the fate of all those that have turned a stony face to their fellow men.

The return to the Roosevelt program that this article advocates is not proposed as an easy panacea for all the problems facing the American people. For example, if the American people are successful in redirecting their foreign policy along a democratic course, they must face the fact that American capitalism will thereby enjoy a tremendous boom period in the course of which the monopolies and trusts will garner considerable profits, and even enlarge their financial horizons. But if the American people are vigilant, the price that big business will have to pay for such a longterm boom will be submission to the collective welfare in the form of planned production, high taxation, rising living standards, increased social security, and full civil liberties. The success of the American people in bringing private monopolistic power into the service of millions will pave the way, not only for a lasting peace, but also for a richer world and a richer America. Moreover, within such an America, the basic conditions can arise to make possible a peaceful transition to higher levels of political and economic democracy.

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(Madame Sun Yat-sen's Ten Years of Constructive Effort)

JOAN FAULKNER

"TO help the people of China to help themselves...." has been the guiding principle of Mme. Sun Yat-sen's China Welfare Fund since it was founded in 1938. Her concern for the people has resulted in the constructive relief projects which today CWF sponsors in all parts of this vast country. Organized in Hongkong, where Mme. Sun had fled from the Japanese in 1937, CWF was known during the years of World War II as the China Defense League. It devoted itself to aiding China's fight for freedom, with the ultimate objective of building a permanent organization to carry on the needed relief and rehabilitation work when the long fight was finally won.

Several things make China Welfare Fund unique among relief organizations in China. Foremost is Mme. Sun's closeness to its direction. Not only did she found it, but during the years of its growth she has guided, directed and inspired it with undiminishing zeal. She continues to hold her position as chairman and, as such, presides actively over the voluntary local executive committee and the small paid office staff which implements the committee's decisions. Several times a week Mme. Sun can be seen at one of the desks in the tiny, crowded office, signing letters or conferring with her staff. The office is a continual bustle of activity, with people and supplies moving constantly through it. Over in one corner, the child welfare expert may be interviewing one of her children's clinic nurses; in another, supplies of knitting yarn are being sorted out for distribution. At one desk, a letter to Nehru is being composed; at another, a stencil is being cut for one of the books to be used in the mass literacy classes; and at a third, a volunteer typist is pounding out minutes of the last committee meeting. Through it all the telephone rings with urgent regularity.

Self Help Spirit

CWF also stands apart in that it is one of the few organizations in its field that can be truly called indigenous. Foreign influence is at a minimum. Created by prominent Chinese to help China, it is an example of the self help spirit for which there is such a crying need in these days of confusion and discouragement. But perhaps the most encouraging feature of CWF policy is its complete impartiality. North, south, east and west—in all quarters of China the people have felt its helping hand. To Mme. Sun, the people come first, and the conditions of aid are dictated solely by need, without regard to political, social or religious boundaries. That, too, is a path which could be more frequently trod to the ultimate advantage of the Chinese people.

In the early days of the China Defense League, the work of existing relief organizations and schemes was looked into carefully. Those were selected for assistance which had the promise of long range help to the country as a whole, as well as those which were dealing effectively with the immediate problems of war wounded, war orphans and famine relief. Much of the foreign relief money which poured into China at that time was not only being spent in Japanese controlled territory, and, incidentally, increasing Japan's foreign exchange, but was also going into foreign controlled hospitals. Mme. Sun, however, insisted that any aid through her organization go directly to the Chinese people who were really fighting the Japanese. Letters were written, appeals were made to all friends of China, and it was not long before contributions both of money and of goods poured in from foreign friends abroad, from Overseas Chinese and from Hongkong itself.

Aiding Red Cross

The League went to work, giving a hand to the training school of the Chinese Red Cross with its Medical Relief Commission mobile units which were doing preventive and anti-epidemic work, and to the New Fourth Army Medical Service with its 10 base hospitals and medical teams. This service won the admiration of many as being the best of its kind in China. In areas without any, the League established orphanages for war stranded children, and by 1943 there were 19 well run nurseries throughout the Border Regions. Assistance was also given to locally operated hospitals, to factories producing drugs and medical equipment, and to the Canton International Medical Corps which had clinics in 30 districts in southern and eastern Kwangtung. To carry supplies wherever they were needed, a transport system was developed which made use of railroads, planes, trucks, boats, coolie poles, and the good will of friends en route.

In the light of long range aid to the country, "to help the people to help themselves," the League joined with the budding Chinese Industrial Cooperatives. Together, they started a network of food producing and industrial cooperatives which performed the dual function of replacing destroyed industry and producing needed food and supplies, as well as giving work to thousands of refugees. Since then, the cooperative movement has grown and continues to play an important part in the industrial reconstruction of the country.

Perhaps the best known and most lasting of the projects which China Welfare Fund promoted in its early days as the League was the International Peace Hospital scheme. Originally one hospital, located near the capital of Northeastern Shansi, the work has expanded in the 10 years since, to include eight main hospitals, with over 40 branches and sections throughout North China, having a total of more than 8,000 beds. In addition to these, mobile medical teams radiate from the bases taking medicine to the most remote villages and farm communities. "Bring the medicine to the people!" has been their slogan, and through extraordinary effort and sacrifice on the part of the doctors and their assistants in the field, the IPHs have made that slogan a fact.

Dr. Norman Bethune of Canada was the first of three foreign doctors to give his life in the service of the International Peace Hospitals, dying in 1939 of septicaemia contracted during an operation. It was he who set the standard for medical treatment in these primitive areas which caused Dr. B. Borcic, director of the China office of the World Health Organization, to state in May, 1947, "The IPHs are formulating a pattern for the practice of public health medicine all over the Far East," and Dr. H. Kent, of UNRRA, to report "....in all the hospitals we were impressed with the spirit of service to the people, in spite of the primitive working conditions." The other two doctors who died, Dr. Tillson Harrison, also Canadian, and Dr. Dwarkanath Kotnis, an Indian, worked with the same selfless devotion for the cause of international medicine. The three men have been honored by having various hospitals and branches named for them.

Supplies Short

The IPHs are characterized by their adaptation to local conditions and their use of native methods and materials to take the place of supplies which, in spite of all efforts, are always short. Treatment and hospitalization are free to all except those who can afford to pay for their food. In adapting to conditions created by the almost continual warfare, which has been going on since they were started, the hospitals often depart from western practices, housing their patients in caves or scattering them in huts within a village. Somehow they manage to keep their patients and surroundings clean, maintain, for the most part, fly free diet kitchens, and make routine medical rounds, all of which has been a source of amazement to the UNRRA and other officials whose

inspection tours have carried them through one or more of the IPHs.

The IPH scheme also includes a total enrollment of over 8,000 students in seven medical colleges, which offer courses ranging from speedy three months' training for the urgently needed medical team helpers to full three and four year courses for qualified nurses and doctors. In the Communist controlled areas, as in all parts of the interior of China, the desperate need is improvement in public health. Realizing this, and that they cannot hope to produce enough fully qualified doctors and nurses to meet the demand for some time to come, the staffs of these schools are concentrating on turning out men and women who will return to their native villages, trained in the elementary rules of public health and in the treatment of prevalent diseases. A three or six months' course is better than nothing—and nothing is being done in most rural parts of China. These partially trained people are brought back at intervals to the medical colleges to take additional short courses to supplement their backgrounds of practical experience.

Local Medicine Useful

Self sufficiency has been forced on the people of this area by the wartime blockade and communication and transportation difficulties. To take the place of foreign drugs and pharmaceuticals, small plants, often located in the vicinity of a hospital, are producing vaccines and drugs. Usually in the form of a cooperative, these plants sometimes achieve interesting results in their use of local materials by such methods as are required by lack of equipment. Old Chinese remedies have been studied and tested, and where shown useful have been produced for modern use; although, of course, this has been an inadequate substitute for the modern drugs and equipment which are so badly needed.

The medical program described above is principally supported by the peoples' government of the Border Regions, with help from the China Welfare Fund in the form of funds and medical equipment, drugs and textbooks. The latter are digested avidly, for, as in other formerly war-bound areas, staffs are hungry for recent medical knowledge to fill in the vacuum created by blockades.

When the Japanese took Hongkong in December, 1941, Mme. Sun was on the last plane to leave for Chungking. With this move, the League lost its local base and help from the Chinese communities in the Philippines, Dutch East Indies and Malaya. But by August, 1942, its central committee was reconstituted and the League reorganized. Funds began to come in now through centralized drives in the United States and Great Britain, and labor support started voluntarily.

Blockade & Inflation

In the face of problems like the long blockade against the International Peace Hospitals, inflation and reduced means of publicizing and gaining support, the League continued its work of helping the people to help themselves. Because of the great, all out destruction in North China work was directed in great part to that section of the country including the IPHs and their correlated medical school and pharmaceutical plants, the war nurseries, the northern cooperatives, medical aid to the wounded and famine relief. But as victory over Japan became more certain, plans for a future overall program were developed.

When peace was finally declared, the China Defense League changed its name to China Welfare Fund, but not its purpose of helping the Chinese people. Wartime projects were stabilized and new ones were added to meet the urgent needs which beame apparent with the cessation of hostilities. China Welfare Fund moved to Shanghai in December, 1945, opened an office, enlarged its staff and went to work.

At that time personnel, money and supplies were pouring into China through UNRRA and other agencies, but even UNRRA could not hope to fill the great need created by eight years of war. There were too many people who were hungry, illiterate, without medical care or a way to earn a living. The work in North China continued to receive the Fund's support through CLARA, official relief organization for the Communist Liberated Areas which channeled badly needed supplies and technical information to that region. In addition to continuing to support the medical work there, China Welfare Fund took on the job of helping the agricultural experimental farms which had been set up to improve crop production, reduce plant and animal disease and introduce scientific farming methods. State University Experimental Farms in the United States were written to, and many responded with pamphlets and bulletins on their latest findings, which were forwarded by CWF to the information starved farmers of the North. Perhaps this may be a beginning for the regular exchange of information between the experimenting farmers of these two countries.

South China Program

The peacetime program in South China took shape under Mme. Sun's direction with the start of the Shanghai Children's Program; continuation of the Artists and Writers Welfare Fund; and the re-establishment of the China Famine Relief Fund. In addition to this, CWF began to lend a constantly helping hand to a number of schools, health centers and orphanages in and about Shanghai. These include a wide variety of organizations, ranging from a primary school teachers' relief association, through the Yi-You Club for young shop clerks and apprentices, to a Buddhist clinic. In this, CWF is one of the few agencies which makes an effort to uncover and promote the work that is being done by individuals and small groups to help others and themselves.

In its Shanghai Children's Program, CWF brings more than simple assistance to the poorest children. It brings at least a minimum of what all children have a right to enjoy —health, education and recreation. The first Children's Center on Singapore Road in Shanghai's western factory district has been in operation for a year. Two more are being opened this month, one in the Yangtzepoo district and one at Quinshan Park, near Soochow Creek. The

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centers offer the children they serve (many of whom must work, and none of whom have even the small amount needed to pay for government schooling) not only literary classes, but free medical treatment, supplementary feeding and recreation in the form of story telling and games. The literacy classes are taught by a volunteer group of more fortunate school children who are knows as "small teachers" under the system of education started by the late Dr. H. C. Tao, founder of the Yu Tsai School. There are close to 50 of these small teachers at the Singapore Road Center, for example, who teach a total of 400 pupils.

Work Expanding

Both the medical and literacy work are spreading out into the surrounding community, for the Center workers realize that any lasting improvement in community health and education must start in its homes. Two adult health workers and two small teachers call on several of the neighborhood families each morning to teach simple rules of sanitation and the elements of literacy.

Funds to launch the Children's Centers were raised locally at a Children's Welfare Ball last October. CNRRA donated the four quonset huts which house them and other organizations have contributed both materials and labor to the project, the whole being an example of the cooperation which exists between CWF and the established voluntary agencies.

Another phase of the Shanghai Children's Program is its Children's Theater, the only one of its kind in China. Primarily an opportunity for creative activity among children, it serves incidentally as a fund raising device to pay for production costs and to enable its plays to tour the city and be presented free-of-charge to underprivileged audiences. Ten thousand wide eyed and enthusiastic kids saw free performances of its first show, "The Watch," and another play, "The Little Circus" will start at the Lyceum Theater on October 17th.

Artists Writers Aided

The Artists and Writers Welfare Fund, established during the early years of the CDL, brings aid to a group neglected in all quarters, but whose livelihood and wellbeing are essential to China's national life. To keep these people at their desks and easels and to prevent the future great from being starved out, this special fund has been raised by benefit performances. The funds are distributed by the artists' and writers' own relief organizations, which help in the necessities of medical care, housing and rejoining separated families. Departing from direct relief, the rest is used for work relief projects.

When famine struck last year in China, it became clear that even with the work of other organizations, more help was needed. The China Famine Relief Fund, raised principally locally, went to combat famine in the south. It worked with the Chinese Industrial Cooperatives to encourage the food producing cooperatives in Hunan and helped other cooperatives in famine areas of Kwangtung and Fukien.

Four children's famine centers in Hunan were saved from closing when CNRRA money ran out. CWF cooperated with the Hunan International Relief Committee and the CNRRA Regional office. The funds were used to maintain 1,200 children in Chenhsien, Hengyang, Lingling and Shaoyang, and to provide them with medical care and schooling. Again, CWF stepped in to breach the gap by supplementing existing relief projects.

Funds From Abroad

Where does the money come from to support China Welfare Fund? About one quarter is raised locally, the rest coming from all parts of the world: the United States, England, Australia, New Zealand, Canada, Cuba, and from Overseas Chinese in Siam, the Philippines and Indonesia. Cooperating agencies are the China Aid Council in America, which works through United Service to China, CORSO in New Zealand, British United Aid to China, Canadian Aid to China, and the Mme. Sun Yat-sen Appeal Committee in Australia.

The China Welfare Fund is an expanding agency, which must enlarge to cope with the endless problems of this vast country. The direct appeals to Mme. Sun are many, and these, together with numerous other needs which cry for attention, will keep China Welfare Fund workers busy for a long time to come. In the decade of its existence, Mme. Sun's organization has not only given effective help to her war torn country, it has also pointed a way for future help. It is only a step, but it is a step in the right direction for China.

Shantung Suffers From War; Reforms Needed

JOSEPH I. C. LUAN

Tsinan, Sept. 24.

FOR 10 years Shantung has been the scene of continuous fighting. During the eight-year war against Japan, Nationalist guerrilla corps and Communists fought their common enemy on Shantung soil, and since V-J Day internal disturbances have spread to an even larger area and millions of Shantungese have suffered from the bitter fighting and raging see-saw battles between the Nationalists and the Communists. Every defeat of the Nationalist troops has reacted on the stability of Tsinan, the provincial capital. As long as the Civil War continues, as long as the Communists make Shantung their base of operations and as long as the deadlock remains unbroken there is no possibility for Tsinan to return to normal conditions.

As a result of the "military first" plan and the seriousness of Shantung's position, governor Ho Szu-yuan resigned in October, 1946, and was appointed mayor of Peiping. He was succeeded by the Commander-in-Chief of the Second Pacification Area, Lieut. General Wang Yao-wu, who proceeded to endeavor to cope with the chaotic situation. In November, 1946, the mayor of Tsinan, Chang King-ming was also replaced by Wang Chung-wu. Both of these new officials have been most energetic in their respective positions and have spared no effort to alleviate the people's sufferings.

Tsinan is a "special city" in that its population has had no experience in democracy or freedom. No liberal papers or periodicals are published here and, furthermore, well known liberal Shanghai organs such as *The Observer*, *The China Weekly Review*, *World Culture* and others, never appear on the bookstands. It is clear that Tsinan remains culturally backward and the authorities believe in the traditional concept that "the less the people know the better!"

There are 12 newspapers, three magazines and about 12 news agencies operating in Tsinan with a total editorial staff of about 186, including outport correspondents. Though many of the papers are nominally privately owned, each has its own background and beyond doubt the "freedom of the press" is limited to a very narrow range.

Transit Problem

Communications is the major problem in Tsinan today. After almost a year of severe fighting along the Tsingtao-Tsinan railway, the first through train reached Tsingtao on November 22, 1946. The line was kept open until February 22, but from this date onward traffic was suspended, due to the defeat of the Nationalists at the T'oosikow bottleneck in Central Shantung, who then withdrew from every front to defend Tsinan.

The railroad was almost totally destroyed by the Communists who

were to be found in small bands within a surrounding area of 40 li. This was an extremely critical period for Tsinan. Prices soared by three to five times, and had not the municipal government taken drastic measures to control prices, conditions would surely have become worse. All amusements were suppressed for several months, many prominent families flew to Tsingtao, refugees poured into the city until finally they amounted to 30 percent of Tsinan's total population. This disorderly condition existed in Tsinan until the beginning of August this year.

The Nationalist Army has now got the upper hand and is concentrating on the annihilation of the Communists in Eastern Shantung, leading people to believe that within a short time the Communists will be completely wiped out on the Shantung front. It is said that the Kiaotsi railroad will be repaired in time for the coming National Festival.

Highways Unrepaired

Highway construction in Shantung before the war was advancing rapidly but now all highway communications have been virtually suspended. There are two main highways, the one between Tsinan and Poshan and the other between Tsinan and Yanchow, 150 kilos and 180 kilos long, respectively. The other shorter roads probably total about 150 kilos in length.

Transportation by the Yellow River is obviously impossible for the greater part of the river and its valley in Shantung are in Communist hands. Air travel is convenient but the cost is high, nevertheless, this is the only way consumer goods and other commodities are able to enter Tsinan from the other large cities in China.

The table at the upper right, compiled from official 1947 figures, indicates the several calamities which have struck Shantung.

Cause	Affected Area	Number of Casualities	Property Losses
Destruction by the CP.	86 hsien or 76 percent of province	8,693,976	Unknown
Floods	15 hsien or one percent of province	255,803	400,081 mow of land, 3,651 cattle, 5,881 houses
Hail	three hsien or 0.5 percent of province	112,434	119,712 mow of crops, 45 cattle

Refugees Decreasing

Last year the number of refugees in Tsinan was estimated at over 100,000, and since February of this year the number has grown to 220,000 by the municipal government's calculations. But according to the provincial authorities' statistics, the number of refugees does not exceed 130,000. According to the police bureau, the rise in population from November, 1946 to April, 1947 was no more than 60,000, so one may assess the total number as 160,000. From April to August of this year many refugees returned to their natives homes soon after their recapture by the Central Government forces. Here is a table of the total population of Tsinan from November, 1946 to August 1947:

November,	1946	576,911
April,	1947	635,162
June	"	617,147
August	"	616,972

(Note: Military officials and their families are not included in the above.)

Very limited aid has been forthcoming from CNRRA or the local government to the refugees, with the result that some starved, while others were forced to return to their "liberated" homes because of the high cost of living in Tsinan. Official figures for the number of temporary reception houses and other relief organs for refugees established by CNRRA and the local authorities are shown at the bottom of the page.

"Education first" is a fine sounding slogan, but actually the authorities pay little attention to it. Insufficient school subsidies, low teachers' salaries, poor school equipment have all contributed to lowering the standard of education. Due to the high cost of tuition in private schools, thousands of families are unable to give their children even the most elementary education. Today, education has become the privilege of the rich.

Last spring the total cost per student for one term at middle school was CNC$100,000 excluding the cost of books. This term the cost has increased to over CNC$350,000, which, plus books and stationary, but excluding board, means that each student must pay a minimum of CNC$500,000. As the average monthly income for civil officials is little more than CNC$800,000, how can he possibly bear the burden of educating a family.

Tsinan has too many middle schools and too few colleges, but as the number of schools increases the students' qualifications become lower. Another drawback is the number of incompetent teachers especially in private middle schools. Nine out of 10 schools have poor equipment, little apparatus, no libraries and unhealthy classrooms. In a great many public primary schools there are not even sufficient desks and benches for the pupils.

Underequipped Schools

According to the municipal government's statistics, at least 5,000 desks and 5,000 benches are needed to equip the municipal primary schools. In order to buy these, a sum of about CNC$1,000,000,000 would be required, but at present the budget of the municipality is not able to meet this demand. In some private schools, teachers are receiving no more than CNC$200,000 a month, hence they have earned the title "civilized beggars."

The table on the following page shows the total number of schools and students in Tsinan, as of August, 1947.

* * *

THE illiterates in Tsinan are estimated to be some 170,000 or 27.5 percent of the population. The children of school age from six to 11 years total about 26,000, while the illiterates between the ages of 12 and 45 amount to over 140,000. At present, 50 municipal primary schools and 20 private schools have opened free people's evening classes instructing about 5,000 persons. Even if there were 15,000 graduates a year from these evening classes it would take 10 years to clear up illiteracy in Tsinan. As for the uneducated 26,000 children of school age, the authorities would have to provide at least 30 primary schools before compulsory education could become practical.

No Production

Tsinan is typical of a number of wartorn cities in China. The streets are in need of repair, houses must be rebuilt, factories reopened and the impoverished, the jobless and the disabled demand food, housing and rent. Nothing is produced in Tsinan, her supplies of consumer goods are all imported from other parts of China, and her food comes from neighboring areas. The months old scarcity of coal has caused the electricity and municipal water supply to be curtailed, thus causing great inconvenience in the city.

The first thing to be done in the reconstruction of Tsinan is to open communication lines, for they, like

Organ	Length of operation	Amount spent	Refugees aided
Quarters—8	Dec., 1946-Apr., 1947	CNC$172,192,532	1,902
Free soup kitchens—4	Dec., 1946-Feb., 1947		
Cafeteria—1	Feb., 1946-Aug., 1947	CNC$862,663,680	120,000 (About 2,000 daily.)
Nourishment stations for women & babies—3	Unknown	Unknown	About 5,000
Reception stations—3	Feb.,—		

the arteries of the human body, are essential to well being. There are also several things strongly demanded by Tsinan residents, such as:

1.) The relief of refugees.
2.) Educational reform.
3.) The stoppage of inflation, corruption and manipulation.
4.) The reduction of taxation, "collections," etc.

It is universally recognized that the only effective way of solving the above problems is to cease immediately the fratricidal war and to complete the annihilation of the Communists in Shantung. But both of these steps are impossible at present. Nevertheless, I would make a few suggestions for application under present circumstances.

Not everyone coming from "liberated areas" is a refugee. A great many of them have rich friends or relatives. The authorities should thoroughly investigate the living conditions of all refugees before giving them relief. Further, the authorities should organize them into work gangs instead of letting them ramble around the city. Many projects could be started in this way.

Two things should be seriously considered concerning schools, especially private schools. Very few students take their studies seriously, the majority being interested solely in getting their certificates. Moreover, there are student rascals and "student knife corps" to be found in most schools. Many of these children practice robberies and thefts among their schoolmates. Immediate disciplinary action should be taken by the authorities.

Standard	Kind & number of schools		Number of students	
Primary	(Municipal	52	About	25,700
	(Provincial	6	„	5,900
	(Private	46	„	15,600
	(Kindergarten & others	2	„	200
	Total:	106		47,400
Secondary	(Municipal	1	„	1,300
	(Provincial	13	„	9,400
	(Private	33	„	10,850
	Total	47		21,550
College	(Provincial	2	„	800
	(Private	1	„	300
	((University)			
	Total	3		1,100

In addition, in almost every school the teachers are incompetent, they are interested more in their salaries than in the amount of knowledge they impart. Private schools are apt to consider the tuition more important than the welfare of students. These are the fundamental factors responsible for the educational bankruptcy. It is time for the authorities to set up a reform movement to clear up all the unsatisfactory conditions; to train the incompetent teachers; to re-examine private school students; to increase the teachers' salaries; to encourage good teachers and good private schools, etc.

The authorities should also take steps to halt the local disorder caused by inflation, punish market manipulation and corruption, and dispense with unnecessary expenses in order to reduce the people's heavy burden. These steps require energy and an indomitable spirit, but the results would fully justify such exertions.

China: Yesterday, Today And Tomorrow

LIN WO-CHIANG (林我將)

THIRTY-SIX years ago today the Chinese Revolutionary flag was raised in Wuchang against the then degenerating Manchu regime. The revolution spread liked wildfire on the prairie, and in less than three months the Provisional Government of the Republic of China was established, with Dr. Sun Yat-sen as the provisional president, who assumed office on January 1, 1912. Since then so much water has flown under the bridges, that one looks back with amazement at the tremendous changes effected by this historical event and the vicissitudes which have taken place in China's national life during the ensuing years.

In 1911, China was still an absolute monarchy, but the rapid progress of the Revolutionary Army, which had nation wide and whole hearted support of the Chinese people, soon brought about the collapse of the Manchu Empire. The success of the revolution was largely due to the undaunted courage and self-sacrificing spirit of the revolutionists led by Dr. Sun. His proclamation that henceforth China was to have a government of the people, for the people and by the people, fascinatingly appealed to the nation and secured for his party universal support. With such spirit among the revolutionary leaders and such enthusiastic backing from the people, the future of the young Republic definitely looked bright.

Tuchuns Active

However, it was destined that the Republic was not to enjoy smooth sailing from the early days of its inception. She was to suffer, first, betrayal at the hands of Yuan Shikai, a remnant of the ancient regime, on whom circumstances had perforce entrusted the guidance of the ship of state. Secondly, the vying for power among the warlords (known as tuchuns in those days) after the demise of the ambitious Yuan, broke China into so many hostile camps, and for years played havoc on the helpless people.

And a united China emerged only after the success of the Northern Expedition against the warring Tuchuns in 1928. The Chinese people came to know for the first time after some 15 years of war and chaos and of threat of foreign subjugation (such as evidenced by the Japanese Twenty One Demands), what it was to have unification and peace throughout the length and breadth of the country under the National Government at Nanking.

But a progressive and united China extending from the Bay of Tonkin to the Siberian border, caused Japan to redouble her effort at subjugating China. To Japan it was a question of now or never. The "Mukden Incident" on September 18, 1931, was the first step taken by Japan for the implementation of her continental policy, as conjured up by the notorious Tanaka. From that fatal September day until victory in August 1945, China had been subjected to continuous aggressive attacks by Japan. For 14 long years this country had been engaged in a life and death struggle with militaristic Japan—an incarnation of the Devil himself—most of the time, single-handedly. She was too perilously engaged to carry out the ideals of Dr. Sun. But this is now history.

China Progresses

In spite of all these handicaps, China has nevertheless been progressing in many respects, before and during the war years. In 1937, the national budget was very nearly balanced and export figures reached

a new high. She was financially and economically getting along in a big way. To give a few instances, the progress made in education and communications since 1928, under such trying circumstances, was even more remarkable.

In higher education, for example, there were 74 universities and colleges in 1928, with an enrolment of 40,000 students, but by 1940 the number of the institutions of higher learning climbed to 112, and the enrolment over 50,000.

As far as communications are concerned, in 1912 the total length of highways in China was under 10,000 kilometers, which was increased to some 15,000 kilometers up to the time of the Mukden Incident. The first highway for motor traffic was built in 1912, but by 1937 the highways totaled 100,500 kilometers, one-fourth being surfaced roads. During the first one and a half years after war broke out, over 3,000 kilometers of new roads were built and 17,800 kilometers of old roads were improved.

The efforts made by the Ministry of Communications under General Yu Ta-wei after V-J Day in face of obstinate difficulties, to cope with the strain on transportation by land, water and air, as required and pressed by rehabilitation and military movements, as well as the rapid restoration of communication lines repeatedly sabotaged by the Communists, are something miraculous. They must be seen to be believed. The improvement of the postal system during the current year by the Ministry of Communications, having regard for the abnormal conditions in the country, must be patent to all who make daily use of its facilities.

These are but a few of the outstanding facts answering the question whether China is progressing or retogressing. They show convincingly that the China of today would have been very much different, had she not been hindered on her path towards modernization by the inherent weakness caused by internal strife during the first 20 years of the Republic and the bestial attacks of her enemy during the last 15 years.

These are proofs of China's determination to live on and to better herself, despite the present economic and political overcast, and one can look forward to the future with patience and confidence.

TIENTSIN WONDERS WHAT NEXT?

S. E. SHIFRIN

Tientsin, Sept 28.

WEARY would be the right word for North China, but so would it for the rest of the country. Northerners have more stamina than that, even if in some rural districts families do have to remain indoors while the breadwinner works outside wearing the only pair of trousers.

Somehow, the celebration of V-J Day is too novel to have taken root in this country, but that of the Double Tenth has. This year people in the Peiping-Tientsin area have something additional to celebrate. For the first time since the Boxer Rebellion no foreign troops remain in North China, except the Marines in Tsingtao.

September 30, is one anniversary that will pass by on tiptoe. Two years ago this day the III Amphibious Corps of the U.S. Marine Corps landed on the coast and was met with rapture. At a ceremony six days later it accepted the surrender of the Japanese troops. But the raptures are now purely a matter of history and the family album. After all the demonstrations and demands for the withdrawal of the Marines, the population has not been that happy since, not even on the Marines' muffled departure.

Foreigners Leaving

Since the 35th Anniversary of the founding of the Republic things have changed. Repatriation was one of the keynotes of the year. Ex-Italian Marines, the last Boxer Protocol troops still remaining, left for Italy early in the year. That started the ball rolling. The return of Soviet citizens got underway and is still proceeding. Another batch of German Nazis and some volunteers have gone nach Vaterland. Repatriation of Japanese technicians still in North China is about to begin. Other foreigners, singly and in families, have been buying tickets to somewhere. There are fewer foreigners now in Tientsin than there were a year ago, and the ebb tide is still on.

Tientsin today has better communications with the rest of China. There is a more regular shipping schedule, and the railway line to Kalgan has been opened to traffic, but wrecked trains and removed rails are still frequent occurrences on the Peiping-Mukden line. Communication with Paoting is not regular and it is no longer possible to go as far south as Tsanghsien on the Tientsin-Pukow line.

A number of new neatly painted reconverted buses have been put into operation by the Bureau of Public Utilities. As an improvement a number of sub-office booths have been established by the Post Office and the Telecommunications Administration. The moat around Tientsin has been completed, and a number of new pillboxes are dotting the city. There is a new red railing around ex-Victoria Park, and a brick wall is being built for the smaller park facing Cafe Victoria.

Coal Available

One brighter spot has been the improved coal situation. Production at the Kailan Mines has now touched 15,000 tons daily, according to Chinese press reports. Stockpiles have been prepared for winter by public utilities, and even private residents were able to store up for the cold days. Tientsin's second headache—the foodstuff picture, and that means largely flour, is not as bright. Shipments have been, and are, coming in from the South, but there have been shiploads detained at Shanghai. Flour shipped during the summer has not been too satisfactory. It contained too large a percentage of moisture, and the dealers afraid of holding it, dumped the sacks on the market as fast as they could be unloaded. Maybe this is a new weapon for combatting hoarding. Dealers in the market still claim that Tientsin has no appreciable stocks of flour, and mainly depends on current shipments.

Construction work on the moat and the Tangku New Harbor project, still to be completed, has been blamed by the Public Works Bureau for the snags in road repair. The Chipei Power Company may yet have some surprises for electricity consumers this winter. After the arrival of the long awaited magnetic wire from the U.S.A., the boilers and the generators started going out of order. Anything may happen by the time the long winter evenings are around, even the regular dimouts of last year.

Exports Up

Economically, after the establishment of the new "open market" rate, exports have picked up, and September shipments to the United States are expected to exceed considerably the August totals. Exporters claim that the shipments consist of accumulated stocks purchased at cheap prices, and in some cases mixed with new cargo but making the price still acceptable. Shipment of new cargo, they complain, is unprofitable, but a new trade round has begun with businessmen starting to buy in again, speculating on future developments.

Importers are complaining that business is bad. It doesn't pay to import at the present rate of exchange and with the sluggish state of the market. Holders of import licenses for some items are sorry they filled out the application forms. Complaints are accumulating against the practice of the Maritime Customs of levying manifold duty on repacked imports going through Tientsin to points inland.

COL High

The Cost of Living index has been suggested as China's polevaulting entry for the 1948 Olympics, but with prices rising Tientsin workers are still grumbling. They claim the COL index has been doctored during the past several weeks so as not to register any increases. Employees of at least one firm have been campaigning to have their pay adjusted according to the Shanghai index.

The average Tientsinner expects prices to spurt up again after the Mid-Autumn Festival, even though increases have already been recorded on the price tags, and most native banks no longer settle accounts before the festival. As to what comes next, who knows?

"DOUBLE TENTH" CELEBRATIONS

NGIAM TONG-FATT (嚴崇發)

Singapore.

THOUGH China is not at all free from internal disturbances, such as economic crisis, Civil War and strikes, she is to be congratulated on her national day. In commemorating this great day, the Chinese at home will not forget the sorrows, tribulations, starvation, oppression, humiliations and hardships they have suffered in the course of their resistance against the Japanese aggression. The Malayan Chinese also will not forget the atrocities, murders and violence of the Japanese war criminals in Malaya.

Today we can recall the bitter memories during the period of Japanese occupation in Malaya when the Japanese authorities refused to allow us to hoist our national flag on this great day. During the Japanese occupation we all lived in complete darkness, despair and sorrow. But out of darkness came daylight; out of despair came hope; and out of sorrow came joy. Our hearts were full of joy when the Japanese Government made formal surrender to the Allied Forces on board the battleship "Missouri" on September 2, 1945, in Tokyo Bay. The allied victory in this war not only ensures the preservation of territorial and administrative integrity and freedom of China but also secures for her a place of equality and freedom in the comity of nations.

On this occasion of the "Double Tenth" anniversary, it is befitting and proper that we, the Overseas Chinese in Malaya, should pay tribute to our soldiers who have sacrificed their lives on the battlefields in order to save China from the forces of aggression. These brave warriors have dedicated their lives to the cause of national freedom, equality and independence. They are now at rest. They died for us so that we may live to carry on the unfinished task which is before us. They now have their resting place in the land they made free; they died peacefully under the flag of the Republic of China they rendered stainless from the dirty hands of the aggressor. Thus no drop of blood shed by our soldiers and citizens was in vain.

Last year, the Malayan Chinese held lantern processions, mass meetings and drills to commemorate the 35th anniversary of the Chinese Republic. This year the Malayan Chinese will celebrate the "Double Tenth" anniversary with more zeal and enthusiasm, and thousands of dollars will be spent on this great occasion. In an appeal to Overseas Chinese to work in unity and full cooperation with Chinese at home in postwar rehabilitation and reconstruction, Dr. Wu Paak-Shing, Chinese Consul-General in Singapore, in a "Double Tenth" message, says:—

"In commemoration of this great day, let us pay homage to our late, beloved leader, Dr. Sun Yat-sen, and the millions of our compatriots, whose supreme and unselfish sacrifices during the Revolution culminated in the establishment of the Republic of China, and also to Generalissimo Chiang Kai-shek, under whose distinguished leadership and perseverance, together with staunchest support of the Allies, China has emerged victorious after her eight years' war of resistance against aggression.

"China now being free from external oppression, it behooves us all to do our utmost to help in the speedy reconstruction of our country and to establish our nation on a peaceful and prosperous basis, so that the bloodshed of our compatriots and the achievements of a glorious victory, unprecedented and unparalleled in our national annals, will not be in vain.

"I wish, on this occasion, to express my fervent hope that our overseas brethren, who contributed so much during those dark years of Japanese oppression towards the ultimate goal of victory, will work with unswerving spirit in unity and full co-operation with our brethren at home in our postwar rehabilitation and reconstruction, a contribution not only to our national, but also world, prosperity and everlasting peace."

The Chinese people, especially the younger generation, in Malaya must bear in mind that China has now attained her national glory and fame only through many a struggle and sacrifice, and that, as future masters of their country's destiny, it is their duty to live up to their dignity and to have a sense of national consciousness in their daily life. They must understand their great responsibility towards their country and fellowmen as the future greatness of China depends entirely on their own effort and strength. They ought, therefore, to realize their duty of restoring the nation's former glories and fame in spite of the fact that they are living far away from their Motherland. They must bear in mind that before they may be able to enjoy their rights as Chinese citizens they must at least contribute something to the welfare of the nation.

In celebrating this great day it is fervent hope of every Overseas Chinese that the Civil War in China be ended as soon as possible in order to decrease the hardships and sufferings of the Chinese people. To quote Mr. Tan Kah Kee, prominent Malayan Chinese: "We must unite all parties in order to stop the Civil War in China and bring real democracy to our mother country." The Civil War between the Chinese Government and the Chinese Communist Party must be ended at all costs by political means, as Generalissimo Chiang stated in his last year's "Double Tenth" message: "No matter what serious proportions internal disturbances assume, the Government will not forsake peace as long as there is yet hope for a peaceful settlement."

Politically and militarily China has come out of this war as one of the Great Powers but economically and physically she has suffered the most when compared with the other Powers. Thus the present period period is a period of reconstruction and rehabilitation. She should therefore revive her industries, build more communications, improve her educational systems and solve the living conditions of the people. But above all, she should try to achieve racial harmony, to elevate national life, to protect national resources and to improve national physique.

What China today requires most is technical, medical, scientific and agricultural knowledge and the modern inventions or instruments for national defense. Our youth must be taught the importance of cooperation and nationalism. They must devise ways and means to guard what they have inherited from the past and to provide for the future, to strengthen themselves in spite of their present weakness and to fight for their national independence and freedom. In short, they ought to realize their duties and to utilize their time and energy to train themselves for the reconstruction of the country.

On this great occasion of our national day, every Chinese citizen, both at home and abroad, should make great efforts to contribute his or her share to China's postwar reconstruction and rehabilitation. Let every Chinese ask himself or herself this important question, "In what capacity am I useful to the nation in her postwar plans?" With courage, confidence and hope let us forge ahead with this great task of building a new world based on justice, righteousness and freedom. Let us also remind ourselves of these words of Abraham Lincoln; "Let us strive on to finish the task we are in; to bind up the nation's wounds; to care for him who shall have borne the battle, and for his widow, and his orphans—to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations."

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Problems Facing China's Textile Industry

BEN Y. LEE

TWO years after the war, China still faces a textile shortage, although recent months have seen considerable improvement. This year, both cotton and yarn production are expected to be much higher than last year, but even so they are still considerably behind the prewar level. The textile industry is one of the most important items of our postwar reconstruction program, so the sooner the maximum of production is reached the more stable will be the economic situation.

China, like all industrialized countries, derives her national strength from her textile trade. Directly and indirectly the industry maintains the livelihood of over 1,000,000 people. The vicissitudes of China's textile industry since V-J Day include: 1) increasing domestic cotton production; 2) increasing cotton yarn production; 3) stabilizing textile prices; 4) resuming the overseas textile trade; and 5) facing Japanese competition.

Cotton Production

1) The wealth and prosperity of China depends to a large extent upon increasing cotton production, for cotton is second only to rice among China's agricultural products. The unprecedented economic crisis since V-J Day has largely contributed to the sharp decline in domestic cotton production. For instance, in the two years prior to the war, the average yearly cotton production was over 15,000,000 piculs (of 110 lbs. each), but the 1946-47 cotton crop was only 7,450,000 piculs, and the estimated 1947-48 crop is estimated at 11,500,000 piculs. The discrepancy between production and consumption has led to large importations of foreign cotton, the principal reason for which is due to the effects of an eight year war.

Last year, China's cotton imports, including UNRRA supplies, came to 1,738,767 bales which, valued at US$0.35 per lb., F.O.B. foreign ports, totaled US$305,500,000, or more than 20 percent of the total value of imports. This year, the prospective total of foreign cotton imports will be about the same. This total does not include freight, insurance and other charges, and unless domestic cotton production is greatly increased, imports cannot possibly be reduced in the near future. At present, China's cotton problem has its roots in political as well as economic causes.

Production of cotton since the end of the war has failed to meet the demand, but it is not only necessary to produce enough to meet the growing demand but the quality must be improved also. The climate and soil throughout the country, from Manchuria to Yunnan and Szechuen, is very suitable for cotton cultivation, but the quality of the domestic cotton is inferior to both American and Egyptian standards, chiefly due to the lack of scientific methods of cultivation.

Many plans to boost production to the pre-war level in order to bridge the gap between production and consumption have been formulated by textile associations, Government research bureaus, experimental stations etc, and tons of American cotton seeds have been distributed to cotton growers in various areas in the hope that the quality as well as the quantity will be improved.

Five Year Plan

A five year plan for China's textile development was drawn up by the Ministry of Economics and announced at the National Textile Industry Production Convention last week. It included such aims as having 10,000,000 spindles and 320 looms in action, and urged the training of technicians, the manufacture of textile machinery and a wider selection of raw materials.

One reason for optimism is the fact that in Shanghai's surrounding areas, 55,000 mow of land is being planted with American cotton seeds which are expected to yield 175 pounds of seed cotton this season, as opposed to the average Chinese seed yield of 60 to 80 pounds. Roughly speaking, every three pounds of seed cotton gives one pound of clean cotton, and when cotton growers realize the advantage of planting American seeds, an increase of 300,000 mow should result.

American Seeds Used

The Chekiang Provincial Government's Cotton Experimental Station reported that in this province 32,000 mow of land were planted with American seeds with a prospective crop of 48,000 piculs (of 110 lbs) or 150 lbs of seed cotton per mow. As a result of the good crop it is planned to sow 200,000 mow next season. Meanwhile, the prospects for American seed cotton crops in other experimental stations are even brighter with possibly a higher yield

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per mow. In stepping up China's cotton production, the Ministry of Agriculture is using high quality American seeds extensively in various large cotton producing provinces, such as Hupeh, Kiangsu, Hopei, Honan and Shantung.

2) The producing and the manufacturing of cotton are interdependent. Due to the rapid recovery and expansion of cotton mills since V-J Day and more particularly in the next few years, China's cotton production should improve to the point where it will keep in step with the increasing demand. Continued Civil War, inflation, lack of transport facilities and high labor costs are among the chief handicaps temporarily confronting the industry.

At the end of the war when the mills in former Japanese occupied areas and those taken over from the Japanese by the China Textile Industries Inc., were in great disorder, considerable effort was necessary to put them in good working order. Due to disrupted communications, lack of power, materials and trained workmen, most mills are still only able to operate on a limited scale. Towards the end of last year, however, these mills were operating at about 70 percent capacity, and the average for the entire year was about 55 percent capacity, with an estimated production of 1,327,000 bales of 400 lbs of 20's cotton yarn.

Of the 4,513,000 cotton spindles in China at present, 436,000 are in Manchuria, and except for the latter all the other mills are working at almost full capacity with the prospective production figure of 2,800,000 bales of average 20's yarn. Based on these calculations, China should consume 2,500,000 bales of raw cotton annually, or 11,500,000 piculs. Taking into consideration that 4,000,000 piculs are being used for domestic purposes other than spinning yarn, China at present should produce at least 15,500,000 piculs annually in order to remain independent of foreign cotton. In a few years, China will have another 1,000,000 spindles and her cotton consumption will be increased proportionately.

Communist Agitation

The textile industry has been greatly handicapped by the prolongation of the Civil War and Communist agitation and propaganda, resulting in a restlessness among the workers who are ready to strike on the flimsiest pretext. The Government has adopted a conciliatory attitude towards the latter whose wages are now about 60 percent higher than they were on V-J Day, taking the actual cost of living into consideration. A factory hand can now earn CNC$1,000,000 a month, while a mechanic receives CNC$2,000,000, besides meals, which is much more than a returned student with a college degree can earn. A job in the mill is so attractive that a girl who wishes to become a weaver, for instance, is often willing to pay CNC$2,000,000 as a "compensation fee" to a trained weaver in order to learn the trade. The lowering of the hours per shift from 12 to 10, and additional holidays with pay are other advantages.

All these additional expenses necessarily increase the cost per unit of the manufactured product, but despite the many unfavorable factors the textile industry is still a profitable business because of the exorbitant prices of cotton textiles. Dyeing and finishing factories in Shanghai, numbering more than 600, are operating 25,000 looms and 700 dyeing and finishing machines at full capacity. The number of factories has tripled during the last few years.

Shortage of Machinery

3) The textile industry was one of the hardest hit by the war, and today textile prices are much higher than other staple commodities, taking 1937 as the norm. As soon as the urgent demand is satisfactorily met, the exorbitant price will find its own level, however. Due to the shortage of cotton spinning machinery and supplies, Double Horse 20's yarn on September 23 was quoted at CNC$16,000,000 per bale and Dragon Head 12 lb. grey sheeting at CNC$590,000 per bolt as compared with CNC$300 and CNC$7.50 respectively, in 1937, whereas in the last 10 years rice has risen only 50,000 percent.

Under the chairmanship of Mayor K. C. Wu, the Textile Control Committee in October, 1946, promulgated a decision to institute the official price hike to CNC$1,750,000 per bale of 20's and took stern measures against persons transacting business

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at black market rates. The price of domestic cotton suitable for spinning 20's yarn was quoted at about CNC$220,000 per picul (of 133 lbs), and the HCOL index for workers in October was 5,000. Effective steps to stabilize textile prices are the only means of remedying the current shortage of supplies so that the markets may be successfully controlled and prices maintained at suitable levels until supply balances demand.

Quotations Nominal

But the Textile Control Committee was laboring under numerous ungovernable economic factors beyond its power to control. Yarn and cloth trading on the local market is almost entirely monopolized by imported supplies, hence all quotations for domestic cotton are purely nominal. Whenever New York cotton is up and CNC depreciates in terms of US dollars, domestic cotton rises, correspondingly, and consequently almost everything follows its lead. At present the price of domestic cotton has risen to around CNC$2,800,000 per picul and cotton yarn has gone to about CNC$16,000,000 per bale. But in spite of the high prices of yarn, cotton mills are not making as much profit as they did last year or in the first half of the current year.

Drastic steps to suppress profiteering, black marketing, hoarding and speculation will be warmly welcomed. The benefits which could be obtained under the price hiking control plan include the stabilization of textile prices, elimination of unchecked speculation and hoarding, and the assurance of a reasonable margin of profit for the mills.

Readjustment Committee

In June of this year, a Textile Industry Readjustment Committee was created to replace the Textile Control Committee. Its functions are to speed up production of cotton textiles and to regulate the supply and distribution of raw materials. Dr. Chow Ping-wen is chairman of the Committee which is under the jurisdiction of the Ministry of Economic Affairs. The control of textile prices is a factor not overlooked by the Government as is shown in its operation and management of the China Textile Industries Inc.

Because of its large output, which gives this Government-controlled enterprise a corner on the market, yarn and cloth can be sold at a price lower than that prevailing on the market. This concern started functioning at its headquarters in Shanghai, in January 1946, operating all the former Japanese textile mills in China, and is under the direct control of its nine-member board of directors, with the Minister of Economic Affairs as its chairman. The Government's decision to create this corporation was made to enable it to operate as a temporary measure to relieve the textile shortage, but in no way to act in a manner detrimental to private interests.

During these days of violently fluctuating commodity prices, this state-owned concern has prevented yarn and cloth prices from skyrocketing by dumping huge quantities of products on the market. During the past 20 months, the China Textile Industries has proved that it is not in competition with privately owned mills, but, on the contrary, has helped to stabilize the yarn and cloth markets, thereby creating economic order. At present increased production to satisfy the demand is of paramount importance. The Government is fulfilling the need for reasonably priced cotton goods.

Recently, agitation against this enterprise has been noticed, the principal complaint being that the state has no right to operate a staple industry, and the huge profits reaped are considered unjust. The result of the outcry has been that shares in this corporation will be issued shortly, in compliance with the Government's decision to sell all the mills and factories. The total assets are estimated at around CNC$140,000,000, in terms of the 1937 purchasing power of the dollar, that is about US$40,000,000. During the past week, rumors have been rife that in Tientsin, industrialists and bankers are prepared to purchase all the mills in that city.

South Seas Trade

4) Realizing that the export of cotton textiles constitutes a main source for the replenishment of the national treasury's foreign exchange holdings, Chinese textile manufacturers are devising comprehensive means to help textile exporters to develop their export trade. Textile exports to the South Seas do not

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only give the Chinese textile industry a foothold on the overseas market, but also meet the needs of millions of Overseas Chinese. Formerly, China's textile export trade was passive, but positive steps are now being taken by a thorough study of the overseas markets with special consideration to domestic conditions. Close cooperation among our textile manufacturers and exporters is of great importance.

Textile Exports

Cotton yarn and cotton piece goods exported from January to June, inclusive, this year, amounted to 40 percent of the total exports. Arrangements have already been made by the principal textile exporter, the China Textile Industries Inc., to export 50,000 bolts of cloth to the Philippine Islands monthly. It is expected that from July to December, 1947, textile exports will total from US$7,000,000 to US$8,000,000.

The main factors that have prevented China from capturing this market on a large scale are high wages, high cost of materials and the shortage of cotton textiles for domestic consumption. In order to compete successfully with other countries it will be necessary for China to reduce her prices considerably. As regards the textile trade, China is singularly fortunate in that she is able to control retail distribution channels in the South Seas where the trade is in the hands of Chinese, and the consumers are almost entirely Chinese residents.

5) A cause of great concern to our textile manufacturers is the exportation from Japan of 15,000,000 lbs of cotton yarn and 163,000,000 yards of cotton cloth from January to June of this year. Japan has made an amazing recovery in her cotton textile industry since the war's end, and an annual total of 600,000, to 1,000,000 bales of American cotton is being consumed. Japanese cotton piece goods will be exported to India where the first shipments of 7,000,000 yards are due to arrive in October. Meanwhile, Chinese cotton textile circles are perturbed over rumors that large quantities of Japanese textiles are being smuggled into South China ports.

Production Increasing

By the end of this year the Japanese expect to have a maximum of 4,000,000 cotton spindles in operation, there are also 86,000 looms in Japan, capable of producing narrow fabrics suitable for Oriental markets. Roughly speaking, Japan will be able to produce practically the same quantity of cotton yarn as China, yet her total population is only 70,000,000, less than one-sixth of China's. At her present capacity, Japan will be able to export about 2,000,000,000 yards of cloth.

From 1932 to 1937, inclusive, the average total import of Japanese piece goods was 300,000,000 yards, and from 1937 to 1939, Japan shared 75 percent of the piece goods imported into China at the total value of about Gold Units 25,000,000.

Whereas China is well endowed with raw materials, Japan is fundamentally dependent on her export trade. China's textile industry must step up production, efficiency, lower production costs and standardize production quality in order to compete successfully with the Japanese both domestically and in the South Seas markets.

Cotton yarn and cotton piece goods are two principal items in China's textile exports. The following figures show the total value of textiles exported from 1937 to 1939:

	1937 CNC$	1938 CNC$	1939 CNC$	
Piece goods	7,220,846	11,589,364	21,543,836	
Yarn	4,844,603	22,883,220	31,767,488	
Total	12,065,149	34,472,584	53,311,324	(xx)

(xx) The rate of foreign exchange was CNC$3.30 to US$1

The following statistics show the value of China's textile exports in 1946 and the first half of 1947:

	1946 CNC$	Jan.-June, 1947 CNC$	
Textile fibres	8,669,653 (000)	42,934,423 (000)	
Thread, yarn & knitted goods	4,750,866	51,886,884	
Piece goods	751,646	92,005,570	
Other textile products	4,003,888	20,133,714	
Total	18,176,053	206,960,591	(yy)

(yy) The average official rate of exchange in 1946 was CNC$2,400 to US$1, and for the first half of 1947, CNC$12,000 to US$1.

A decision to impeach T. V. Soong for "malfeasance" during his tenure as premier of China and to request the Government to "veto" his appointment as governor of Kwangtung, was made by the Control Yuan recently, a high official of that organ told *UP* recently. It was also decided to ask Soong to donate more of his property to the State and to urge the Government to reject his "request" for official positions. These resolutions will be formally presented to the National Government, this week, the official said.

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Economic Reform Plan Analyzed

P. C. C. FANG

THE revised Economic Reform Plan, recently adopted by the State Council of the National Government, is most encouraging in that it is comprehensive and lays particular stress on banking reform. It was revised in the light of actual and pressing needs and with a view to coping with the seriously deteriorating economic situation in China. Despite the various weak points emphasized by critics it is still a wise and timely plan.

No doubt, fulfilment of this plan will involve numerous difficulties some of which may seem insurmountable, yet most problems should be solved if effective methods are employed. In view of the fact that in the past, owing to financial, technical or personal complications, most of the better newly adopted measures have not been successfuly carried out, to ensure the newly revised plan a more hopeful future, the first consideration should be to overcome any obstacles which might prevent the implementation of the plan.

Three Part Plan

This plan is divided into three parts, namely, the financial system, production and reconstruction, and public finance. The following are my observations:

1. **The Financial System.** The aspect of this part deserving of our special notice is the specialization of the functions of all ordinary and native banks, designed to enable legitimate business concerns to obtain financial assistance and at the same time to correct the excessive profiteering now prevalent in nearly all the commercial and native banks. In this way the commercialization of banking functions may be directly abrogated and production indirectly promoted. In both the letter and the spirit, this step deserves our support.

Closely connected with it is the support for legitimate business emphasized in the plan. One thing not to be overlooked is that in giving support to such concerns we must make sure of the legitimacy of the claim and we must also ensure that the practice of extending larger loans to illegitimate business concerns rather than to productive business, despite strict Government restriction, is discontinued. It is generally believed that the establishment of more banks will give the Government ample opportunity to expand credit in all rural areas and thus finance agricultural production even if it involves further devaluation of our National currency. The immediate and pressing problems will thus have been solved, and other plans can then be made to handle other less important matters.

Some critics hold the opinion that under present difficult financial conditions it will be impossible for the Government to raise the huge sums required to finance such a project unless it resorts to further currency inflation, adding that inflation has already reached a stage where violent intensification will result in complete economic collapse. They recommend that the Government wait until conditions improve, and our currency and general economic state is stabilized.

Immediate Results

This argument is quite reasonable but we must not forget that the situation confronting us is so urgent that the only way to achieve immediate results is through the improvement of the organs of currency and credit inflation and not by the development of productive enterprises, which would take a much longer time to achieve.

2. **Production and Reconstruction.** In this part, the greatest stress is laid on the coordination of agriculture and industry. It is also decided that equal attention should be paid to all basic industries as well as the industries connected with the livelihood of the people. Both of these are essential not only to our industrial reconstruction but to the maintenance of the people's livelihood. These would, indeed, be the materialization of a long cherished desire. It should be remembered, however, that their success or failure does not depend upon the provision itself but rather on whether there is a firm determination on the Government's part to carry it out thoroughly, on whether there are a set of detailed, laborious, and effective rules to be put into action, and on how they will be carried out.

Increased Production

3. **Public Finance.** Increased production, business development, foreign trade promotion, etc. are emphasized in this part. These are the objectives people have been wanting to achieve for years, with the realization that fully materialized they will not only enable China to balance her budget and international payments, but make her self supporting to a certain degree in daily essentials, materials and equipment for domestic defence as well as export purposes. Unfortunately, the realities are far from encouraging. Instead of showing signs of developing, nearly all industrial, business and trading enterprises are steadily declining in their size and scope of operations. It seems that in addition to credit facilities and priorities for productive enterprises, organizations in charge of export promotion and import regulation—already merged into an Import and Export Board—the economic inspection and financial examination bodies, etc. which are already in existence, a greater push is still to be made.

In order to keep in line with the above mentioned measures both economic inspection and financial examination should be strictly enforced, expanded and continued without leniency or relaxation until the desired results have been achieved. Practically speaking, every banking business or industrial institution, regardless of size or age or whether publicly or privately owned, must be regularly and thoroughly inspected and their financial position examined in accordance with the rules prepared especially for that purpose. Not to be neglected during these inspections are the difficulties which may confront these concerns and their suggestions for a solution. In other words, great attention must be paid not only to the correction of their errors and the elimination of their problems but also to the promotion of their interests, while the priority in credit facilities for productive enterprises ought to be given in time and continuously without relaxation or exception. Furthermore, close cooperation of the people should also be sought, without which no measure, however wise it may be, can bring the desired results. The following are a few more suggestions:

Financial Ills

(1) It is universally recognized that our chief financial ills are inflation, floating of deposits too rapidly, the weakening of the financial position of banking institutions and the quick

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currency circulation. According to our observations, the last three factors are the direct results of the first—inflation—and are, simultaneously, the major factors in bringing about the phenomenon of nearly all the idle capital, instead of entering into productive enterprises, being employed in speculation, which in turn gives rise to skyrocketing prices. It is, therefore, apparent that the fundamental cure lies in currency readjustment, note issue reduction, and the support of productive enterprises.

(2) As a move to facilitate the absorption of overseas remittances and encourage export trade, the current smuggling of goods must be checked and the declining state of the export trade improved as soon as possible.

(3) In order to keep farm loans in line with rural reconstruction, such abuses as the control of all the co-operative organizations by the local landed gentry and rowdies, the slow loan-making procedure, red tape, and so on, should undergo drastic reform, and at the same time it should be ascertained that any such credit extended to small farmers should be of practical use to them.

(4) To increase production and improve the people's living conditions, the process of production must be kept going smoothly through the exploitation of our national resources and the acquisition of foreign materials.

(5) In respect of land distribution and improvements of the landlord-tenant relationship, steps must be taken to eradicate once and for all such obstacles as land concentrations, extortions inflicted on small farmers by landlords, etc. Coupled with this, the system of "land for the farmer" and the 25 percent reduction in rentals should also be completed fully and strictly.

Coordination Necessary

(6) In order to enable our rural areas to advance towards industrialization, not only must agricultural production be coordinated with industrial needs, but industries must also be kept in a position to develop in a healthy way.

(7) Every effort should be made to narrow the discrepancy between the receipts and expenditures of the Treasury, the difference between production and consumption and the gap between imports and exports in foreign trade, so as to lighten the seriousness of the general economic situation.

The fulfillment of a new Nanking policy to replace old style warlord governors with strong men of its own was seen in the current tearing into the staff structure of General Sun Lien-chung, military commander and concurrently governor of Hopei province by the Government authorities, said *UP*. Well informed quarters said that corruption charges—if such were made—would be a smoke screen for the Central Government move to tighten control there, as in other parts of China.

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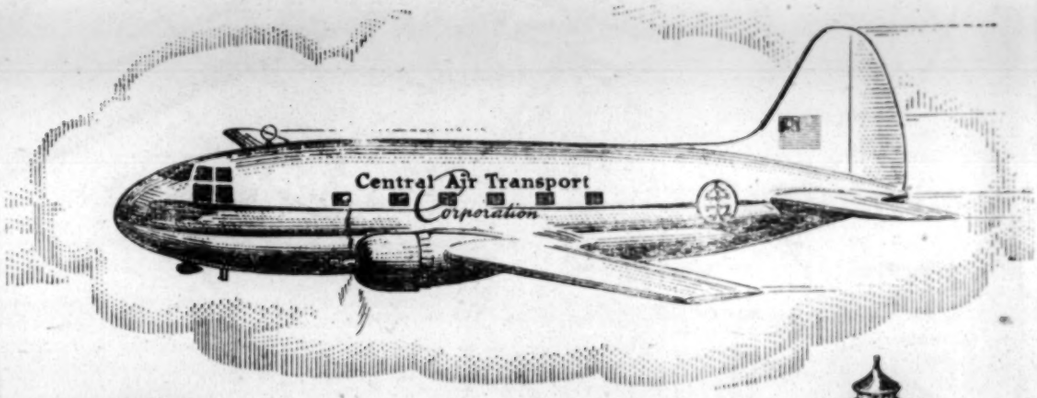

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Postwar Remittances From Overseas Chinese

TAO WEI-LIEN

INWARD remittances from Overseas Chinese, which in prewar years annually came to about US$100,000,000, were always one of China's main sources of foreign exchange. During 1946, however, only US$70,000,000 worth of foreign exchange was remitted to China by its sons living abroad. Of this amount, half came through the blackmarket channels.

When the National Government issued its Revised Foreign Trade Exchange Regulations on August 17, 1947, it intended to divert all inward remittances entirely to national banks. Whether this aim will eventually be realized depends on the economic situation here and other future developments.

With the exception of the United States, the financial conditions of Overseas Chinese residing in foreign countries, including the South Seas, Indo-China, Indonesia, Siam and the Philippines, have been greatly impaired by the recent war. According to statistics released by the United States Department of Commerce, remittances by Chinese nationals residing in the United States to China and Hongkong in 1945-1946 amounted to US$70,000,000.

The total remittances from the United States received by the Bank of China for the period from January 1946 to February 1947, however, only amounted to US$33,689,000:—

Year		US$ (in 1,000)	CNC$ Equivalent (in 1,000)
January	1946	4,364	87,273
February	„	2,106	42,112
March	„	2,351	4,748,490
April	„	4,267	8,619,610
May	„	3,330	6,725,765
June	„	6,866	5,790,315
July	„	2,011	4,016,720
August	„	3,300	8,300,994
September	„	2,376	7,291,103
October	„	2,123	7,112,501
November	„	1,004	4,703,101
December	„	1,100	3,678,487
Total for	1946	31,498	61,161,923
January	1947	501	1,678,059
February	„	690	8,270,000
Total from Jan. 1946 to Feb.	1947	33,689	71,114,981
March	1947	1,542	18,535,647
April	„	1,690	20,271,587
May	„	876	10,536,666
June	„	320	3,843,290
July	„	140	1,737,681

Inward remittances by Overseas Chinese fell off from the prewar US$100,000,000 per year—or US$6,000,000 to US$7,000,000 per month—to US$4,364,000 in January, 1946; and US$1,100,000 in December, 1946—a decline of 75 percent. This further fell to US$501,000 by January, 1947, another 50 percent when compared with remittances in December, 1946. The figure reached the low of US$144,000 in July, 1947.

The total remittances received during the first half of 1947 were distributed as follows:—

New York	CNC$42,500,179,809.20
Havana	CNC$ 6,882,350,185.00
London	CNC$ 5,765,153,902.69
Rangoon	CNC$ 2,188,431,000.00
Kuala Lumpur	CNC$ 1,552,254,628.00
Batavia	CNC$ 1,275,001,000.00
Calcutta	CNC$ 1,364,330,565.25
Penang	CNC$ 756,170,937.00
Singapore	CNC$ 9,226,610,000.00
Sydney	CNC$ 355,366,355.00
Saigon	CNC$ 159,466,544.00

The foregoing figures illustrate the manner in which remittances were channeled through the blackmarket and why the Bank of China received ever diminishing sums of foreign exchange. Approximately CNC$100,000,000,000 is currently being received by Hongkong banks per month, and the U.S. Department of Commerce attributed the increasing reserves of foreign exchange in Hongkong to this phenomenon. Hongkong's receipts of overseas remittances went up 246 times during the past year. Thus it is estimated that a total of US$10,000,000, or CNC$120,000,000,000 per month has regularly "escaped" to Hongkong in the course of this year.

It is said that there are several reasons why overseas remittances have an affinity for Hongkong instead of the Bank of China. Disparity between the official and blackmarket rates has rendered Overseas Chinese unwilling to suffer a loss of the difference. The rapid and continuing depreciation of the fapi—its buying power has steadily declined at the rate of 25 percent per month—is another valid reason for sending foreign exchange to Hongkong, where the currency is much steadier. Another reason is that remittance services offered by private commercial banks are better than those of national banks.

The Ministry of Finance has taken cognizance of these facts and at a meeting attended by the Commission for Overseas Affairs, representatives of the Bank of Communications, the Bank of China and others, adopted the following resolutions:

1) Strengthen the remittance business of the national banks.
2) Simplify the remittance procedure,
3) Request foreign governments to raise the limits imposed on remittance amounts.

Of the three foregoing resolutions, the Government has thus far managed only to simplify the remittance procedure by introducing the "system of remittance in foreign currencies," in October, 1946, as a result of which the Bank of China received US$78,000 in October, 1946, and US$290,000 and £58,000 in November, 1946.

On the other hand, failure to implement the other two decisions has impaired the prestige of the Bank of China and did little to divert overseas remittances from the blackmarket.

Remittances from U.S.A. to China and Hongkong

Year	*To China (unit: US$1,000)*	*Equivalent (unit: CNC$1,000)*	*To Hongkong (unit: US$1,000)*	*Equivalent (CNC$1,000)*
1945	24,000	26,784,000	100	12,600
1946	20,000	53,700,000	24,600	66,051,000

Shanghai Wholesale Price Index

Base: 1936—1

Indices	September 1947
Foodstuffs	43,341
Textiles	55,757
Metals	74,394
Construction Materials	63,368
Chemicals	131,146
Fuel	81,144
Miscellaneous	61,558
General Index	60,519

Shanghai Cost of Living Index

Base: 1936—100

Salaried Employees

	September 1947
General Index	3,080,000
Group Indices:	
Food	4,160,000
Housing	1,000,000
Clothing	6,290,000
Miscellaneous	3,330,000

Workers

	September 1947
General Index	3,440,000
Group Indices:	
Food	3,650,000
Housing	2,340,000
Clothing	6,400,000
Miscellaneous	3,720,000

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What U.S. Papers Say . . .

THE US press last week commented editorially on the US Government's food conservation plan, the committee on Indonesia and the problems it confronts, and the representative of the Philippines, Carlos, P. Romulo's speech at the opening of the U.N. Assembly.

* * *

Food Conservation

THE American public will respond heartily and substantially to the Government's food conservation appeal, many newspapers believe, if the leaders of the voluntary program clearly define its aims and what must be done to meet them.

A few papers took the view that European requirements for aid, as well as domestic price situation, call for stronger steps, such as return to Governor allocation of essential foodstuffs at the source.

"Whatever we do in making available emergency food for Europe, we should do it wholeheartedly and intelligently. We must not view this project as something apart from domestic responsibilities. It is part of a food and prices whole, and should be treated as such," said the *Philadelphia Inquirer*, finding substantial merit in the plan outlined by President Truman and his citizens' food committee.

The *Baltimore Sun* declared that "Mr. Truman has translated Europe's plight into slices of bread. Less bread on the table today means more food for Europe tomorrow. That is something we can all understand."

The *New York Times* pointed out that the job of educating the public to the world food situation has progressed through three stages, but two stages remain to be done to enlist full public support of the food saving effort: (1) To develop a concrete plan for implementing the program; and (2) obtain cooperation from every segment of the population. Observing that President Truman plans a broadcast to the nation on Sunday night, which will officially launch the conservation program, the *Times* said: "If the campaign is to be genuinely successful, the President himself will have to put the weight of his office and his personal influence unmistakably behind it."

* * *

Indonesia

"THE appointment by President Truman of Dr. Frank P. Graham, president of the University of North Carolina, as US member of the three nation Security Council committee that will attempt to conciliate the conflict between the Netherlands Indies Government and the Republic of Indonesia completes a distinguished international panel. Belgium previously had named its former Premier, Paul van Zeeland, as its representative, and Australia had named Justice Richard Kirby," said the *New York Times* in an editorial.

"It is a complex and delicate task that has been given the Council committee. Two months of 'police action' by the Netherlands army, marine and navy force of over 100,000 men has taken away from the Republic almost two-thirds of the area over which the Netherlands Indies Government has previously recognized its de facto authority. Violations by both sides of two truce appeals by the Security Council have not made for a climate in which conciliation seems to have much prospect of success. Long delay in naming the committee—for which the US is largely to blame—also has not helped the situation. Quick action was called for. Instead there has been delay.

"Nevertheless, the high character of the committee finally named gives hope that these obstacles can be overcome and the Dutch and Republicans can again be brought to the council table in a conciliatory frame of mind. This is the result earnestly to be hoped for. Neither the Dutch nor the Indonesians stand to profit by further warfare. It is never too late to stop shooting and seek a peaceful solution."

* * *

Romulo's Speech

THE recent exchange of criticisms by the US and the USSR which have been given strong emphasis, may have caused a lack of attention on our part to less spectacular but more constructive utterances that were made in the opening debate of the UN Assembly, remarked the *New York Times* recently.

"As an example, attention may way well be drawn to one passage in the address of Brigadier General Carlos P. Romulo, representative of the Philippines . . . (who) pointing to advances of self government in India and Pakistan, Burma and Ceylon . . . declared: 'We derive comfort from these concrete evidences of the irresistible advance of freedom, and to both the US and the UK we pay tribute for recognizing abroad, in the lives of other peoples, the justice and validity of the selfsame principles that have made them great at home and honored among nations.'

"Such a statement is heart warming, not only for its felicity of phrase but also for its manifestation of genuine good will. Here is recognition of the value of basic Anglo-American political concepts, of the character of the Bill of Rights, of the meaning of democratic freedom. Transition from 'colonialism' is not easy, even under favorable conditions such as prevailed in the Philippines. Evidence of good faith and good will on both sides, such as is given in General Romulo's statement, can make that transition less difficult. The Philippine spokesman called some of these changes 'bright spots.' Another 'bright spot' is the fact that there is an articulate Filipino in our councils to give us the point of view of a young, vigorous and generous new Asiatic republic."

Who's Who in China

GENERAL PAI CHUNG-HSI, Minister of National Defense; born in Kweilin, Kwangsi, January, 1893; graduate of Paoting Military Academy, 1916; participated in 1911 revolution at Wuchang; joined

General Pai Chung-hsi

（白崇禧字健生）

the Northern Punitive Expedition of the Nationalist Forces and was appointed commander of the 13th Army and chief of staff of the National Revolutionary Forces, 1926; garrison commander of Shanghai and Woosung Area, 1927 (being the first southern commander to occupy Shanghai); commander of 2nd Route Army Corps in occupation of Hsuchow, 1927; assisted Generals Li Tsung-jen and Chang Chien in the Nanking Punitive Expedition against Tang Shen-chi (then rebelling against Nanking Government); director of operations of the Nationalist 4th Group Army under General Li Tsung-jen and member of the Wuhan Division of the Central Political Council, 1928; vice commander of Hu-Tang-Chiu-Kuo-Chun (The Party Protection and National Preservation Army), 1929; appointed member of the Political Council of the Southwest, 1930; vice commander-in-chief of the 4th Group Army, 1931; member of the Military Affairs Commission, since 1936; advocate of armed resistance against Japanese aggression, following the outbreak of Lukouchiao Incident, July, 1937; August, 1937, appointed vice chief of staff and concurrently Minister of Military Training Department of the Military Council, 1937-46; director of Southwest Headquarters of the Generalissimo, in command of Chinese forces operating in South China, 1940; member of Supreme National Defense Council, since January, 1939; acting commander-in-chief of all Chinese Army Forces, 1946; Minister of National Defense, since 1946; author of: *Total War and Total Tactics*, 1938; *The World Situation and the Sino-Japanese War*, 1938; *Essentials for the Reconstruction of the Chinese Army*, 1941; *On Military Training*, 1943; *Modern Trends in Military Training* 1946; member of the Central Executive Committee of the Kuomintang; chairman of the Chinese Islamic Association; address: Ministry of National Defense, Hwang Pu Road, Nanking.

The salt tax for the current year is expected to reach CNC$1,511,000,000,000 or 20 percent of the total national income, revealed the Ministry of Finance last week. Last year's salt tax amounted to only six percent of the national revenue.

What Chinese Papers Say

T. V. Soong's contribution to the Kuomintang and his subsequent appointment to a governorship were commented on in the press last week. Other editorials discussed the Korean problem, China's security and the question of how to dispose of imports financed by importers' own foreign exchange.

* * *

T. V. Soong

THE newly appointed governor of Kwangtung, Dr. T. V. Soong, has had considerable experience and has long been an important official in the Central Government, therefore from any point of view he must be considered as fully qualified for his new post, said the *Yi Shih Pao*, Chinese Catholic organ.

"Unfortunately, however, Dr. Soong was appointed Governor of Kwangtung shortly after he had resigned as President of the Executive Yuan. People still vividly remember how he was criticized by others during recently years. Moreover, before his new appointment was announced, he did a good thing by contributing a part of his personal property to the Kuomintang.

. . .

"Among those who have voiced opposition to Dr. Soong's appointment as Governor of Kwangtung, those Control Yuan members who have proposed that the State Council veto this appointment have taken the most appropriate action. The proposal contains three points: (1) That it be found out who should be held responsible for certain administrative measures which were adopted during the period when Dr. Soong was President of the Executive Yuan. (2) That Dr. Soong be encouraged to take a brief rest and to reflect quietly. (3) That he be advised to donate the major portion of his personal property to the State.

"What we find it most difficult to agree with is the view that the fact that Dr. Soong's appointment as Governor of Kwangtung was announced shortly after he had donated a part of his personal property to the Kuomintang tends to bring about the bad practice of selling official posts. A man with Dr. Soong's political history could at least obtain a post as provincial governor without having to make a contribution first.

. . .

"It is true that honest administration has not yet been completely attained, for in connection with our basic administrative organs, one still often hears how much money a post of "hsiang" chief costs and how much money a post of "ch'u" chief costs. However, to think ill of the open donation of large sums of money which is beneficial to the state is certainly going too far."

* * *

Korea

THAT the Koreans will unite and begin to make progress and that, before winning their independence and freedom, they will stop quarreling among themselves instead of serving "as too's of the United States and Soviet Russia in their struggle for supremecy," is the hope expressed by the *Ta Kung Pao* in an editorial last week.

"For instance, Soviet Russia has now proposed that Soviet and U.S. forces in Korea withdraw simultaneously, and the Korean people and Korean political parties, from the point of view of their fight for independence, have no reason to oppose this proposal, no matter what the consequences may be. As to the fear that 'the lava from the Red volcano in North Korea will fly southward' (as expressed by Mr. Kim Koo), this is an indication of opposition to trusteeship. We feel that a nation should have self respect and that it should not act in such a way as to be suspected by others that it wants to depend upon foreign influence.

"Regarding the Korea problem, China should express some positive views and should uphold the principles of morality. We oppose the idea of governing Korea by force, thus creating the danger of a US Soviet conflict. The people of China and Korea should unite in striving for peace in the Far East," said that paper in conclusion.

* * *

China's Security

THOSE who have become accustomed to China's past foreign policy are no doubt expressing "surprise" over the trend towards independence now discernible, said the *Sin Wan Pao*. "However, because of our firm attitude and our stable stand, our views have obviously won other people's sympathy, so that people in a friendly nation have acquired a new knowledge of us. The other day the *New York Herald Tribune* editorially appealed to the American people to give more consideration to China's views, saying that having suffered so much from Japanese aggression, China has every right to demand assurance that she will not suffer again at the hands of Japan. This voice of justice is most gratifying to us.

"What has puzzled us most during the past two years since VJ Day is why US officials have been so confident in their own ability to reconstruct Japan. They have said that Japanese politics have already been democratized, or that the Japanese will become a peaceful people in a few generations The plans for liquidating Japanese militarism, which the United States had shortly after VJ Day, are no longer mentioned, and some of the militarists and members of the Zaibatsu among the important Japanese war criminals have actually been released.

"Japanese youths have openly declared that in the future, they will want to wear American uniforms, pilot American aircraft and fight shoulder to shoulder with the Americans. Under these circumstances, one cannot but ask what kind of an objective those who control Japan are pursuing. Furthermore if the present way of controlling Japan continues, what good would it do even if it were stipulated in the peace treaty that Japan should be controlled for a period of 30 years?

"Today, those who are strong and whose security is not in the least being threatened often demand security, as a reason for their desire for military bases. If Japan continues to be well treated and nurtured as she is today, and if a rational plan for dealing with Japan is not included in the Japanese peace treaty, then China's security will really be threatened. The *New York Herald Tribune* said that China has reason to ask for assurance of security, not a verbal assurance by US Government officials. We feel that this is a most fair US press view," declared the *Sin Wen Pao*.

* * *

Imports

THERE are many different varieties of goods worth a considerable sum of money which have already arrived in Shanghai, but for which no important license had been obtained, said the *Ta Kung Pao*. Both the local Importers' and Exporters' Guild and the local Chamber of Commerce have expressed their opinions of how to dispose of these goods. "The importers have even sent representatives to Nanking to petition the Government for permission to import these goods. The goods include mainly metals, dyestuffs, paper, rubber and chemicals and are worth between US$100,000,000 and US$150,000,000, which is almost equivalent to the total of all import quotas for two quarters.

"Not all of these goods have been ordered from abroad by merchants in violation of Government decrees, for part of them arrived in Shanghai late because of the delay in shipment by the suppliers. Irrespective of whether the goods have already been paid for in full or not, according to the usual practice in international trade, they have already become Chinese-owned.

"Because of the limited amount of foreign exchange available for imports, there has been a shortage of all types of goods since the import quota system was put into force in November last. If the above mentioned goods can be disposed of it will help greatly to improve the supply situation and to stabilize commodity prices. In the case of the essential daily necessities included in these goods, the Government should, as soon as it has decided upon appropriate measures for disposing of these imports, seek to have them put on the market for sale at an early date, so that they will not be hoarded by people. All luxury goods included in these imports should either be purchased by the Government at the official rate of exchange or confiscated by it."

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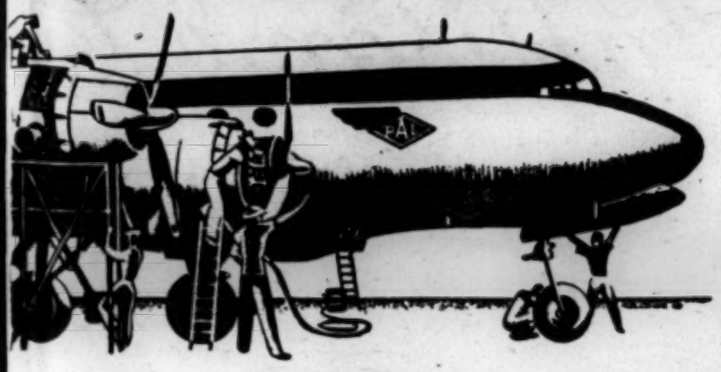

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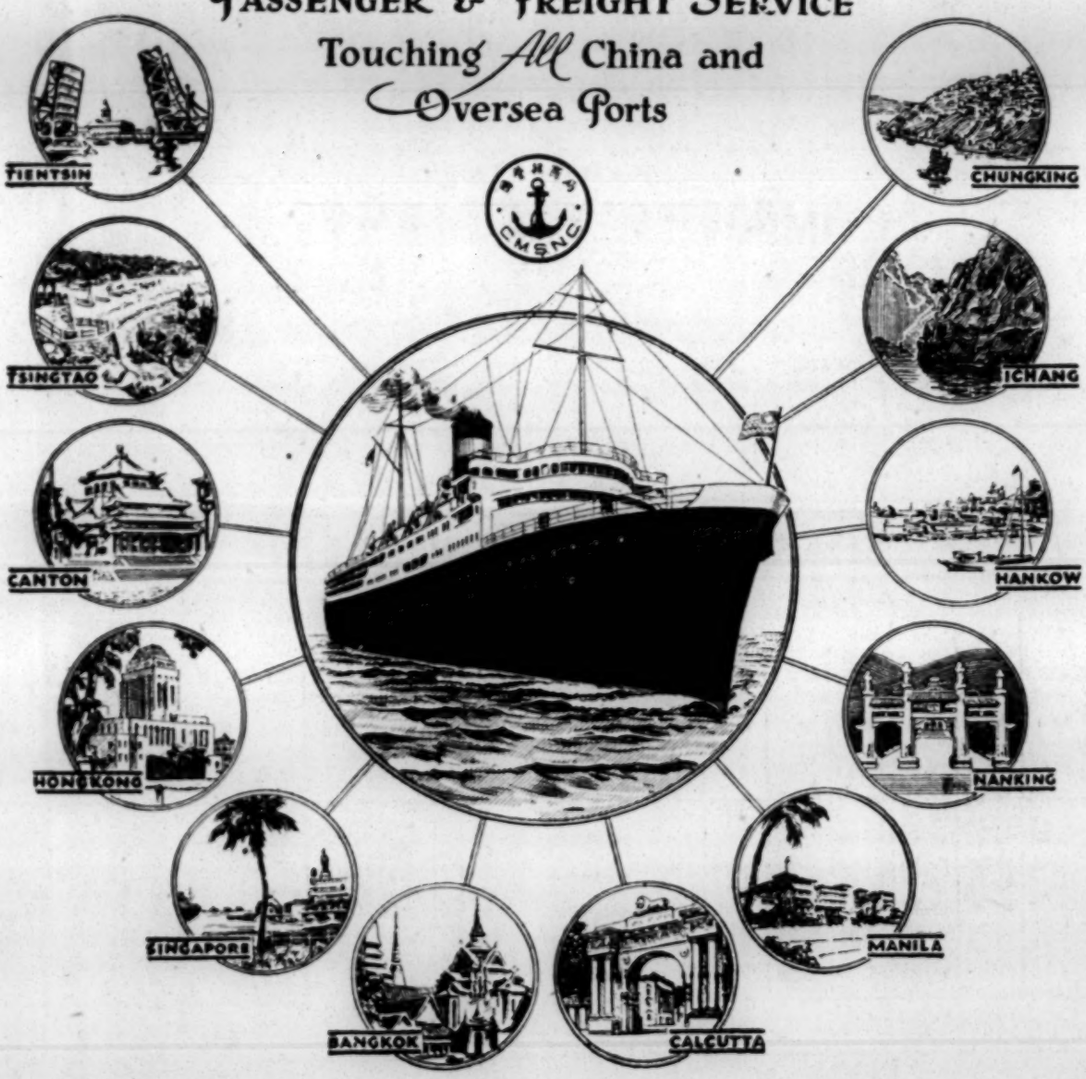

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• WENCHOW	• SWATOW	• DAIREN	• CHINKIANG	• SHASI	• MANILA
• FOOCHOW	• HONGKONG	• CHINWANGTAO	• WUHU	• ICHANG	• SINGAPORE
• KEELUNG	• CANTON	• HULUTAO	• ANKING	• WANHSIEN	• BANGKOK
• KAOYUNG	• HAICHOW	• YINGKOW	• KIUKIANG	• CHUNGKING	• CALCUTTA
	• TSINGTAO		• CHANGSHA		• RANGOON

NANKING-SHANGHAI LINE
TIME TABLE

72	4	76	6	8	78	2	10	12	16	TRAIN NO.	1	5	15	7	71	3	9	11	75	77
"Tai Hu" Express	I, II Triumph Exp.	II, III Local	I, II III Exp.	I, II Exp.	II, III Local Exp.	I, II Nanking Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	I, II III Night Exp.	STATIONS	I, II Hangchow Throu. Exp.	I, II III Exp.	I, II III Exp.	I, II Exp.	"Tai Hu" Express	I, II Triumph Exp.	I, II III Night Exp.	I, II Night Exp.	II, III Local	II, III Local Exp.
8.30	7.00	7.30	9.00	11.00	12.15	13.30	21.50	23.00	23.30	D SHANGHAI NORTH A	14.45	16.25	18.25	19.35	22.20	22.45	6.35	8.00	10.25	17.10
		8.55	10.16	12.14	13.48		23.27		0.56	D KUNSHAN D		15.24	17.09	18.22			5.28		8.34	16.05
10.13	8.41	9.42	10.57	12.57	14.29	15.17	0.20	1.06	1.43	A SOOCHOW D	13.06	14.33	16.23	17.36	20.31	21.06	4.39	5.39	7.10	15.19
10.18	8.48	9.49	11.08	13.04	14.36	15.26	0.27	1.13	1.55	D SOOCHOW A	12.59	14.19	16.17	17.23		20.58	4.32	5.19	7.04	15.09
11.10	9.36	10.45	11.57	13.55	15.35	16.14	1.22	2.08	2.50	A WUSIH D	12.11	13.24	15.14	16.29	19.35	20.10	3.39	4.26	6.00	14.10
	9.42		12.06	14.02		16.23	1.29	2.15	3.00	D WUSIH A	12.04	13.18	15.0e	16.21		20.03	3.33	4.19		
	10.31		12.59	15.03		17.09	2.27	3.13	4.05	A CHANGCHOW D	11.17	12.22	14.05	15.20		19.16	2.35	3.30		
	10.40		13.08	15.15		17.19	2.37	3.25	4.13	D CHANGCHOW A	11.06	12.09	13.55	15.08		19.06	2.24	3.20		
	11.38		14.00	16.13			3.56	4.29	5.16	A TANYANG D		11.09	12.41	14.05		18.12	1.07	2.03		
	11.41		14.03	16.17			4.00	4.33	5.20	D TANYANG A		11.05	12.37	13.55		18.03	1.02	2.00		
	12.18		14.40	17.01		18.46	4.46	5.18	6.02	A CHINKIANG D	9.32	10.28	11.44	13.07		17.23	0.09	1.07		
	12.25		14.45	17.17		18.53	4.55	5.27	6.09	D WEST A	9.24	10.21	11.38	12.59		17.15	23.56	1.00		
	13.55		16.10	18.50		20.20	6.30	7.15	7.50	A NANKING D	8.00	9.00	10.00	11.00		15.45	22.00	23.00		

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"Tai Hu" Express
SHANGHAI N. TO:—										
KUNSHAN	52	30,000.	44,000.	16,000.	22,000.	8,000.	12,000.			
SOOCHOW	87	44,000.	58,000.	22,000.	30,000.	12,000.	16,000.	142,000.	84,000.	142,000.
WUSIH	129	72,000.	88,000.	36,000.	44,000.	18,000.	22,000.	142,000.	84,000.	156,000.
CHANGCHOW	168	88,000.	116,000.	44,000.	58,000.	22,000.	30,000.	142,000.	84,000.	
TANYANG	213	116,000.	144,000.	58,000.	72,000.	30,000	36,000.	174,000.	102,000.	
CHINKIANG WEST	243	130,000.	160,000.	66,000.	80,000.	34,000.	40,000.	192,000.	112,000.	
NANKING	312	130,000.	160,000.	66,000.	80,000.	34,000.	40,000.	192,000.	112,000.	

SHANGHAI-HANGCHOW LINE
TIME TABLE

23	21	61	67	25	1	41	27	TRAIN NO.	24	42	2	68	26	22	62	28
I, II III Exp.	West Lake Exp.	II, III Ord.	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	I, II III Exp.	STATIONS	I, II III Exp.	II, III Ord.	I, II N'king Throu. Exp.	IV Mixed	I, II III Exp.	West Lake Exp.	II, III IV Ord.	I, II III Exp.
6.45	8.00	8.15		11.30	16.00	16.15	22.45	D SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	23.30
7.05	8.16	8.36	9.00	11.53	16.19	16.36	23.06	D SHANGHAI WEST D	8.58	11.55	12.20	17.20	18.37	19.49	22.13	23.12
7.49		9.46	10.29	12.38	17.03	17.46	23.50	A SUNGKIANG D	7.51	10.44	11.26	15.29	17.48		21.00	22.16
7.54		9.56	10.40	12.48	17.08	17.51	23.55	D SUNGKIANG A	7.47	10.38	11.21	15.23	17.39		20.54	22.11
9.02	10.02	11.40	12.50	13.50	18.16	19.23	1.06	A KASHING D	6.35	9.04	10.13	13.10	16.20	17.54	19.25	21.00
9.16	10.08	11.50	13.15	13.58	18.26	19.33	1.16	D KASHING A	6.28	8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14.52	14.32	19.01	20.16	1.50	D YEHZAH D	5.56	8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	2.21	A CHANGAN- D	5.23	7.27	8.58	10.40	15.06		17.42	19.34
10.36		13.26	16.10	15.11	19.37	21.06	2.26	D TSENG A	5.19	7.22	8.54	10.27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20.30	22.20	3.35	A HANGCHOW D	4.25	6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"West Lake" Express
SHANGHAI N. TO:—										
SUNGKIANG	45	30,000.	44,000.	16,000.	22,000.	8,000.	12,000	142,000.	84,000.	
KASHING	99	58,000.	72,000.	36,000.	36,000.	16,000.	18,000.	142,000.	84,000.	142,000.
YEHZAH	126	72,000.	88,000.	36,000.	44,000.	18,000.	22,000.	142,000.	84,000.	
CHANGANTSENG	151	88,000.	116,000.	44,000.	58,000.	22,000.	30,000.	142,000.	84,000.	
HANGCHOW	190	88,000.	116,000.	44,000.	58,000.	22,000.	30,000	142,000.	84,000.	156,000.

NANKING-SHANGHAI RAILWAY SYSTEM ADMINISTRATION

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